

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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IN RE SEPTEMBER 11 PROPERTY DAMAGE
AND BUSINESS LOSS LITIGATION

**DECLARATION OF ALEXANDER GARVIN
IN OPPOSITION TO THE AVIATION DEFENDANTS'
MOTION FOR SUMMARY JUDGMENT BASED ON CPLR 4545(c)**

ALEXANDER GARVIN, pursuant to 28 U.S.C. §1746, declares under the penalties of perjury that the following is true and correct:

MY PROFESSIONAL BACKGROUND AND QUALIFICATIONS

1. I have combined a career in urban planning and real estate with teaching, architecture, and public service. I submit this declaration in connection with the Aviation Defendants' Motion for Summary Judgment Based on CPLR 4545(c). This declaration is not intended to serve in lieu of an expert report, prepared pursuant to Fed. R. Civ. P. 26. A formal Rule 26 report may be prepared and provided at the appropriate time in this litigation.
2. I have extensive experience in the fields of urban planning, design, and development both nationally and specifically with regard to New York City, real estate development and planning, architectural history and the history of New York City.
3. I am President and CEO of Alex Garvin & Associates, Inc. From 1996 to 2005, I was Managing Director of Planning for NYC2012, New York City's committee for the 2012 Olympic bid. During 2002-2003, I was Vice President for Planning, Design and Development at the Lower Manhattan Development Corporation ("LMDC"), the agency charged with the redevelopment of the World Trade Center following 9/11. Over the last 38 years I have held prominent positions in five New York City administrations, including Deputy Commissioner of Housing (1974-1978) and City Planning Commissioner (1995-2004).
4. As part of my responsibilities as Vice President at LMDC, I led the public design competition to select the team to develop a master plan for rebuilding the World Trade Center. During the process, my staff and I worked and consulted with national, state, and local politicians, business leaders, architects, engineers, community groups, advocacy groups, citizens and others. We convened 4,300 people at the Jacob Javits Convention Center to review the finalists' designs. We published all relevant information about the process on the LMDC web site. This process was closely watched by the public, in the New York area, nationally and internationally.

5. I am an Adjunct Professor of Urban Planning and Management at Yale University, where I have taught a wide range of courses for 40 years, including "Introduction to the Study of the City," which has remained one of the most popular courses at Yale College. In addition, I teach two courses at the Yale School of Architecture, including a seminar on "Intermediate Planning & Development."
6. Between 1996 and 2004, I was a fellow of the Urban Land Institute, for which I have organized and taught workshops on basic real estate development, the residential development process, and the role of design in real estate. I am a member of the National Advisory Council of the Trust for Public Land and the Mayors' Institute on City Design. I am a member of the Board of Directors of the Forum for Urban Design and the Citizens Housing & Planning Council, and have served as a member of the Board of Directors of the Skyscraper Museum, the Ed Bacon Foundation, and the Society of American City and Regional Planning History.
7. I am the author of *The American City: What Works, What Doesn't*, published by McGraw-Hill and winner of the 1996 American Institute of Architects book award in urbanism. (The substantially revised, updated, and expanded second edition was released in 2002.) I have also authored *Parks, Recreation, and Open Space: A 21st Century Agenda*, published in 2001 by the American Planning Association, and was one of the principal authors of *Urban Parks and Open Space*, published in 1997 jointly by the Trust for Public Land and the Urban Land Institute. My most recent works include *The Beltline Emerald Necklace: Atlanta's New Public Realm*, commissioned by the Georgia office of The Trust for Public Land in 2004, and *A New Public Realm for DeKalb County*, commissioned by the Livable Communities Coalition, in 2007.
8. I earned my Bachelor of Arts, Master of Architecture, and Master of Urban Studies from Yale University.
9. In connection with my work with the LMDC, the City of New York, and my academic work, and as a resident of New York City with a great interest in the well-being of the City and the region, I am personally and professionally knowledgeable regarding the history, purpose, and development of the World Trade Center and its impact on the City and the region. I was retained by counsel for World Trade Center Properties ("WTCP") to provide expert testimony in this case. Specifically, I was asked to explain my opinion regarding the role, status, benefit, and function of the World Trade Center. I will explain that the World Trade Center retains a unique, iconic status in the culture and economy of New York and that the economic impact, history, architectural design, visual impact, location and world prominence made the World Trade Center one of the most famous architectural complexes in the world and conferred a unique public benefit to the citizens of New York, New Jersey, and indeed the United States and beyond. That unique prominence and public benefit has only been augmented since the attacks of September 11, 2001.
10. A copy of my Curriculum Vitae is attached hereto as Exhibit 19.

THE BASES FOR MY PROFESSIONAL OPINION

11. My opinions concerning the public benefit and iconic status of the World Trade Center, its economic significance, and the public policy mandate for the restoration of the World Trade Center after the September 11, 2001 terrorist attack, are based, generally, on an expertise that has been developed over a 41-year period of working in the fields of urban planning, design and development, and architectural history.
12. Also, as a direct participant in the planning and design of Manhattan in general through work with the City of New York Mayor's Office, among others, and the World Trade Center specifically, I have personal knowledge of the events and circumstances described herein, as indicated.
13. I have consulted a broad range of knowledgeable colleagues and experts in these areas over the years, and I have considered relevant research literature, public records, laws, newspaper articles, press releases, statements and speeches by public officials and commentary and opinion of other analysts, experts, historians, critics, and ordinary citizens both, generally, over the years and specifically in preparing this declaration. All of the materials I rely upon in support of this declaration are of a type reasonably relied upon by experts in the field. I have read the Aviation Defendants' Summary Judgment Motion Memorandum of Law.

THE PORT AUTHORITY HAS A PUBLIC BENEFIT PURPOSE

14. The Port Authority of New York and New Jersey ("Port Authority" or "PANYNJ") is a bi-state agency formed in 1921 that is financially self-supporting and relies almost entirely on revenues generated by user tolls, fees, and rents. It is a body corporate and politic created by two states (New York and New Jersey) to exercise the powers of both states for a public purpose in which the people of both states are interested. As of 2008, on behalf of both states, it operates five airports, six bridges and tunnels, two bus terminals, three major marine terminals, the Port Authority Trans-Hudson ("PATH") commuter train system, the AirTrain to JFK and Newark Airports, and the site of what was the World Trade Center in lower Manhattan.
15. The Port Authority's 7,000 employees are accountable to a 12-person Board of Commissioners, six of whom are appointed by the governor of New York and six by the governor of New Jersey. Board Members serve as public officials without pay for overlapping six-year terms. They appoint an Executive Director to carry out the agency's policies, to manage the day-to-day operations, and to administer the staff. There is a tacit understanding that the chairman of the Board is appointed by the governor of New Jersey and the Executive Director by the governor of New York.
16. The PANYNJ was established to provide better coordination of the terminal, transportation and other facilities of commerce in, about and through the Port of New York and to make port district capital improvement projects that must be performed expeditiously by the two states. In order to make the port more competitive, the PANYNJ was to operate terminal and transportation facilities and to operate them not for private gain, but for the welfare and progress of the community. The mechanism for achieving these goals that the two state

legislatures decided upon, the PANYNJ, was a quasi-governmental institution designed to remove artificial barriers existing at the port and to expedite projects deemed essential to the port and region.

17. In 1962, the state legislatures of New York and New Jersey both adopted legislation authorizing the PANYNJ to create a unified project on a single site combining the interstate Hudson Tubes railway system, formerly operated by the bankrupt Hudson and Manhattan Railroad Company, and a new World Trade Center. This railway system became the PATH.

THE WORLD TRADE CENTER HAS A PUBLIC BENEFIT PURPOSE

18. The two main reasons for public intervention into the normal functioning of the economy of New York and New Jersey and into the real estate market of lower Manhattan were the concern over the declining relative position of the Port of New York vis-à-vis the other major ports of the United States, and the declining relative position of the lower Manhattan business district vis-à-vis other major business districts. As Eric Darton explained in *Divided We Stand, A Biography of New York's World Trade Center*:

Certainly no one would question the need to continue to promote and strengthen the facilities and institutions of the Port of New York. *This is the sole purpose of the Trade Center*, although it will not be its only benefit.... In the same way, the Trade Center will dramatically revitalize a drab and decaying area of lower Manhattan, and transform it into a magnificent international marketplace for people from all over the world.¹

19. The most succinct rationale for the 1962 legislation authorizing the PANYNJ to create the World Trade Center was to generate for the people of New York and New Jersey an increase of their commerce and prosperity and for improvements of their health and living conditions.

Revival of Declining Port

20. The Port of New York had been the country's leading harbor throughout the first half of the 20th century. During and after World War II, however, other ports began to grow in relative importance. In 1952, the Port of New York was the gateway for 33.8 percent of the nation's ocean-borne general cargo foreign trade. In 1963, however, that share had dropped to 19.8 percent.
21. Public officials in both New York and New Jersey were determined to reverse this decline. Creating a World Trade Center, they believed, would liberate "the New York Port's world trade from the waste, the costly delays, the inefficiencies which stem from the existing helter-skelter pattern of offices and agencies concerned with moving cargo through the Port...[and] by curing these evils...restore the vitality and growth of our declining Port and thus preserve the economy of the New York metropolitan area."²

22. Public officials from all levels echoed the public purpose of the World Trade Center:
- The Port Authority's Executive Director, Austin Tobin, stated that the World Trade Center was "designed to increase world trade by promoting at a single location a home for international commerce with the necessary functions and services, and exchange for sharing and processing information."³
 - Governor of New York Nelson Rockefeller explained that the resulting "integrated, centralized and coordinated facilities for the improvement of the handling of world trade through the Port of New York" would "stimulate commerce throughout the region."⁴
 - The United States Congress agreed: "The plan of the Port of New York Authority to establish a permanent trade center in our Nation's largest city is, similarly, an admirable project. The Department of Commerce should take an active lead in fostering such centers."⁵

Competition with Other Regional Business Districts

23. The decline of lower Manhattan as a business district relative to Midtown (and other United States business districts) became apparent after World War II. In the decade between 1947 and 1956, 15.1 million square feet of new office space was erected in Midtown, more than existed in the Loop in Chicago, the nation's second largest office district. During that time only 1.1 million square feet of office space was erected in lower Manhattan in three modest office structures and one six-story addition.⁶ The situation was so serious that in 1952, the Journal of Commerce published articles that predicted businesses soon would be relocating from lower Manhattan to Midtown.⁷
24. The attempts at that time to reverse this migration were unsuccessful. Among the earliest such attempts were three downtown redevelopment projects proposed by Robert Moses during the 1950s. Unlike other contemporary proposals for lower Manhattan, they called for the replacement of obsolete office, retail, and loft buildings by new residential structures. Moses failed to get them approved because building for residential use, rather than for commercial activity, was thought to be an inappropriate strategy for reviving downtown business.
25. The first significant post-war effort to retain businesses in lower Manhattan came in November 1955, when the Chase Manhattan Bank (under the leadership of David Rockefeller) announced it would consolidate its nine-building, 8,700-employee operations on the two blocks bounded by Nassau, Liberty, William, and Pine Streets. The scheme that emerged was a superblock designed by the firm of Skidmore, Owings & Merrill. A one-block section of Cedar Street was closed, thereby creating a 2.5-acre site to be shared by a new 60-story, 1.7 million-square-foot office slab, the existing 38-story building that had housed Chase headquarters since 1928, and a new, spacious plaza.
26. Between 1960, when the new Chase Manhattan Bank Building was ready for occupancy, and 1972, the year before World Trade Center was officially dedicated, 45 buildings containing

32.5 million square feet of office space opened in lower Manhattan.⁸ These buildings, however, did little to enliven lower Manhattan.

27. The World Trade Center was envisioned to change all that. The idea for a complex of this sort began with the Downtown Lower Manhattan Association ("DLMA"). This organization, which included the leadership of the corporations, financial institutions, and law firms located in lower Manhattan, was desperate to staunch the hemorrhaging of downtown business. Its members and most public officials mistakenly thought the problem was an antiquated physical plant. Consequently, they sought the demolition and replacement with modern facilities of what they thought of as obsolete structures.
28. Five years after David Rockefeller led Chase Manhattan Bank to consolidate its investments in lower Manhattan, he helped persuade the DLMA to support a more ambitious modernization effort. He advocated redeveloping a 13.5-acre site along the East River, south of Fulton Street, between Water Street and the elevated FDR Drive. Skidmore, Owings & Merrill, the same firm that had designed Chase Manhattan Plaza, prepared the scheme that included a 50- to 70-story hotel/office structure, a new building for the New York Stock Exchange, and an international trade mart and exhibition hall.
29. This project never came to fruition because there was insufficient support for redeveloping the East River waterfront as a modern trade center. Mayor Robert F. Wagner was unwilling to engage in clearance and redevelopment except where it was a carefully conceived surgical action that could revitalize existing neighborhoods. With Robert Moses no longer in city government, the obvious entity to implement such a project was the PANYNJ. Downtown business interests, led by David Rockefeller, advocated turning the project over to the Port Authority. So did his brother, Governor Nelson Rockefeller.
30. The Port Authority began exploring the idea of a World Trade Center in 1961. It believed that a project of this magnitude required integration with mass transit. Having just agreed to take over the nearly bankrupt Hudson & Manhattan Railroad (then popularly known as the Hudson Tubes), the Port Authority was planning to modernize its underground tracks and tunnels and rebuild its 1908 terminal and office building. Consequently, the Port Authority shifted the site of the World Trade Center to the west side, where redevelopment efforts could focus on the blocks surrounding the Hudson Tubes.
31. At the time, however, the Port Authority was not authorized to engage in redevelopment. Therefore, in 1962, the legislatures of the states of New York and New Jersey passed enabling legislation ("WTC Legislation") authorizing the Port Authority to acquire 16 acres of lower Manhattan for construction of the World Trade Center. As Governor Rockefeller explained, its creation would enhance the "economic vitality and prosperity of the bi-state metropolitan region."⁹
32. One reason the World Trade Center was uniquely able to enhance the economic vitality of lower Manhattan and the region was its location atop the PATH railroad station and numerous subway lines. The PATH provided a direct connection with Hoboken, Jersey City, and Newark and an indirect connection to the entire suburban hinterland of New Jersey, and the subway provided a direct and indirect rail link to the rest of the region.

33. The Port Authority created an economic engine of amazing power when it replaced 16 acres occupied by a few hundred businesses with the World Trade Center serving tens of thousands of tenants and providing the 12 million square feet of office space in 1, 2, 4, 5, and 7 World Trade Center, 700,000 square feet devoted to the U.S. Customs House, 600,000 square feet in the Marriott Hotel, and 2.4 million square feet devoted to the retail concourse, parking, services, and the PATH terminal. This critical mass of workers, people visiting businesses in the complex, tourists, other consumers, and, eventually, residents, spilled over into the rest of lower Manhattan, completely altering the downtown economy, despite the fact that the mammoth complex, in its early years, never made money.

Employment

34. Any redevelopment project generates jobs: construction, office, and service jobs that did not previously exist at the site, as well as retail jobs servicing building occupants and the 50,000 to 60,000 commuters daily coming to lower Manhattan on the PATH railway. Their salaries are, in turn, spent on goods and services supplied by businesses and individuals throughout the region. Consequently, the public officials who supported a project of the magnitude of the World Trade Center had reason to expect it to be a major stimulant to the local economy. Governor Rockefeller explained this particularly accurately, saying:

The World Trade Center is a means to retain and increase job opportunities. The construction of this mammoth development will provide jobs to many workers, and, most importantly, in the years ahead the Center will assure the continuing pre-eminence of the Port as the greatest United States gateway and one of the great world capitals of international commerce.¹⁰

UNIQUE PUBLIC BENEFIT AND ICONIC STATUS OF WTC

35. The World Trade Center complex, officially dedicated in 1973, consisted of a 16-acre public site with a street level plaza, a street level and underground shopping mall, a transportation terminal for the New York-New Jersey PATH trains, a subway hub offering direct access to several NYC subway lines, and six buildings, including the "Twin Towers" and the first hotel to open in downtown Manhattan since 1836. A plaza-level pedestrian bridge connected 7 World Trade Center to the main site World Trade Center complex. The constituent parts of the World Trade Center complex were highly integrated, sharing miles of below-grade space, mechanical systems, common air conditioning and heating ducts, and a common security force, the Port Authority Police. Public passageways directed persons from the PATH trains into the shopping mall — one of the most successful retail malls in the United States — and out onto the plaza or into one of the many connecting subway lines. Similarly, persons exiting the World Trade Center buildings had the choice of entering the shopping mall to use the PATH trains and subway lines or exiting to the public plaza or surrounding streets.
36. The Twin Towers were not simply the two tallest office buildings in the world until the Sears Tower in Chicago opened. Their bold architectural design and prominent position within the New York Metropolitan Area made the World Trade Center a national and international tourist attraction. The week of my appointment as LMDC Vice President for Planning,

Design, and Development, I received electronic mail from a teenager in New Jersey that captured its unique status. The teenager implored me to rebuild exactly what had been on the site prior to the terrorist attack of September 11. He had not yet gone to the top of the World Trade Center and would otherwise never be able to experience this extraordinary opportunity.

Architectural Significance and Innovative Engineering

37. The World Trade Center was among the most famous architectural complexes in the world. At 1,368 and 1,362 feet, respectively, and 110 stories each, the height and bold architecture of the Twin Towers of the World Trade Center complex reshaped the skyline of New York and helped enhance New York's status as an international tourist attraction. It reshaped the physical image of New York. "The glistening metallic twin towers became an icon in the panoramic skyline of lower Manhattan."¹¹
38. The Twin Towers were the world's tallest and largest buildings when they were completed. They became known worldwide, and were shown or depicted in movies, TV shows, postcards, merchandise, magazines and much more, becoming a New York symbol of the same renown as the Chrysler Building, Empire State Building, and Statue of Liberty. To this day, historic images of the World Trade Center and its Twin Towers remain instantly recognizable to people around the world. The aesthetics of the simple, slender, soaring silver towers showed daring and restored confidence in the vitality of the Port and the metro area.
39. The World Trade Center's structural system was "entirely new and different from other conventional high-rise buildings."¹² All buildings sway in the wind; very tall buildings sway more. Office workers expect a relatively stable working environment. Therefore, any sway has to be minimized. Leslie Robertson, the building's structural engineer, devised a method to reduce the building's sway by incorporating "a visco-elastic material to connect the trusses to the columns."¹³
40. Most office buildings are supported by a column grid that extends throughout each floor. Faced with the difficulties of building to unprecedented heights, the architect Minoru Yamasaki, along with the structural engineers John Skilling and Leslie Robertson, devised an alternative structural system, of "framed" or "hollow" tubes: closely spaced steel columns with floor trusses that extended across to a central core to create a structural exoskeleton. This web of metal "formed so tight a latticework on the exterior that it could support the weight of the building by itself.... The tube was the most advanced form of skyscraper construction in the 1960s."¹⁴ As a result, rather than create interior space that was interrupted by interior columns, the designers produced column-free space that was supported by the vertical core of the building (which contained the stairs and elevators) and columns that were placed around the perimeter of the building. The 18-3/4-inch-wide, rigid exterior, "hollow-tube" columns were spaced only 22 inches apart, creating an effect whereby depending on where you stood, the exterior of the towers appeared to be all structure, entirely without windows, or entirely made of windows without any supporting structure. As architecture critic Paul Goldberger explained: "The buildings represented an extraordinary technological leap in skyscraper design."¹⁵

Economic Significance

41. One reason for the World Trade Center's unique status is that it was not a speculative real estate venture, but rather a significant government-conceived redevelopment project. In fact, no private developer would or could have built the World Trade Center when it was proposed more than four decades ago. The original project was intended to enhance the competitive position of the Port of New York and lower Manhattan as one of the nation's major business centers. Following the terrorist attack of 9/11, it took on the additional task of restoring a crippled business district while simultaneously establishing a suitable memorial to the events of 9/11.
42. As the World Trade Center's architect, Minoru Yamasaki, explained in 1976, "world trade means world peace and consequently the World Trade Center buildings in New York ... have a bigger purpose than just to provide room for tenants. The World Trade Center is a living symbol of man's dedication to world peace."¹⁶
43. Even though the Port Authority faced great opposition, the agency persevered and constructed a first-class complex, which succeeded in revitalizing Manhattan's downtown real estate market to the benefit of the wider New York-Northern New Jersey metropolitan area. Although the World Trade Center had a component that rented commercial office space to appropriate tenants, that component was a critical part of the public benefit because the public also benefited from use of that revenue to help finance the operation of those activities that tend to achieve the public purpose of the project, from the economic impact of drawing hundreds of businesses and tens of thousands of workers, business visitors, and tourists to the site, and from the confidence that the World Trade Center imbued in downtown as a business center.
44. The World Trade Center became an extraordinarily important focus for the economy of lower Manhattan. The PATH commuter railroad and seven sets of subway tracks accommodating 18 subway routes converge within two blocks of the site. There is no other place in the city of New York with comparable service. That was one of the reasons for building 14 million square feet of commercial and retail space in the various World Trade Center buildings. In addition, there is double that amount of office space within walking distance of the site, a substantial portion of which was built in response to the Port Authority's decision to build the World Trade Center at that location. The World Financial Center buildings, which were built on landfill from the World Trade Center site, are among many new buildings constructed in response to the project.
45. A second reason for creating the World Trade Center was to enhance the Port of New York as an international commercial hub. The Executive Director of the PANYNJ, Austin Tobin, explained that it was "designed to increase world trade by providing at a single location a home for international commerce with the necessary functions and services, and exchange for sharing and processing information and a forum for the advancement of world trade education and the encouragement and stimulation of international business cooperation."¹⁷
46. During the 1990s, approximately 400 companies had offices in the World Trade Center complex, including export-oriented and blue chip international tenants, financial companies

such as Morgan Stanley, Aon Corporation and Salomon Brothers, the World Trade Centers Association, the World Trade Institute, federal and state agencies, and the Port Authority itself. Over the years, the World Trade Center became one of the world's most coveted business addresses. On a typical weekday, 40,000 people worked in the towers, with another 200,000 passing through as visitors, many visiting the renowned sky-high Observation Deck or Windows of the World restaurant. Workers, residents and visitors enjoyed a variety of events, from outdoor concerts to art exhibits and outdoor dining, in the Austin J. Tobin Plaza, named after the executive director of the Port Authority who initiated the development of the World Trade Center. The World Trade Center complex was so large that it had its own zip code, 10048. Thus, while the Twin Towers were the flagship draw of the World Trade Center complex, attracting millions of visitors a year, these same visitors would end up spending time and money in other areas of the complex, as well as in lower Manhattan.

47. In June of 1984, despite pressure to sell from New York City, which stood to gain \$90 million more in real estate taxes from a private owner, Governor Cuomo of New York and Governor Kean of New Jersey publicly announced that the World Trade Center would not be sold. In addition to legal impediments to any sale, including that the WTC Legislation does not authorize the Port Authority to "sell" the World Trade Center, sale of the complex at a time when the rebounding New York real estate market stood to make the World Trade Center more profitable would have disserved the public who financed the risk of building it. The office of Governor Cuomo proclaimed that the government's overall objective with respect to the World Trade Center was not just to increase revenues to New York City's budget, but to generate new investment infrastructure, industrial development and housing, because the World Trade Center was not just a New York City asset, but an asset of two states and the region.
48. In 1995-96, the Port Authority again considered its options for maximizing the value of the World Trade Center to the Port Authority and to the people of the region, leading to a 1998 vote by the Commissioners to lease the complex or space within the individual buildings that comprised the World Trade Center to a private operator. Port Authority Vice Chairman Charles Gargano explained the public benefits purpose of the Port Authority's choice to lease the World Trade Center to private sector management but to continue ownership:

Private sector management means that the World Trade Center's role as a generator of jobs and economic activity will be even stronger. The 40,000 people who work there, in more than 400 firms from over 25 countries, are a vital part of New York's links to the global marketplace. Their wages and salaries, and their technical know-how, contribute vastly to the regional economy. The retail shopping mall has drawn shoppers to downtown, and stimulated residential development. And the World Trade Center is one of the biggest tourist attractions in a city with overwhelming appeal to tourists.¹⁸

Tourist Destination

49. One of the unexpected benefits of the World Trade Center was its appeal to tourists. From the beginning, plans included an observation deck on the 107th floor. When it opened, it attracted 1.8 million visitors a year, and continued to do so until it was destroyed on 9/11.¹⁹ Its value was not simply net income from gate receipts. The World Trade Center had become a tourist

attraction that contributed to the local tourist industry because it was an attraction to tourists across the country and around the world and thus brought tourists to nearby stores and vendors, and to Manhattan hotels, bars, and restaurants, and thus, to the City's economy.

50. The World Trade Center was not simply an ordinary group of office buildings. It was a government-financed and -owned complex existing for the benefit and enjoyment of the people of the region. The World Trade Center had an economic impact unrivaled in New York City by any other post-war redevelopment project, except perhaps Lincoln Center. It greatly impacted the region's economy, but also the hearts and minds of millions because of its aesthetics and its powerful symbolism as an avatar of American capitalism and Wall Street in particular.²⁰

NATIONAL PUBLIC POLICY FOR RESTORATION

51. I am uniquely qualified to elucidate the public benefit and iconic status of the World Trade Center pertaining to the way in which the process of replanning, redesigning, and rebuilding the World Trade Center reflects its extraordinary national and international value. In February 2002, I became the first person appointed Vice-President for Planning, Design, and Development of the LMDC. During the 15 months that I occupied this position I was directly responsible for managing the process that resulted in the master plan for rebuilding the World Trade Center.
52. Each of the players concerned with the project devoted attention to one or maybe two issues, without necessarily understanding that they were all interconnected. As I understood it, my job was to devise and manage a planning process that would confront all issues. More important, I had to devise a mechanism that would give all the players a role, a process that would result in a generally agreed-upon master plan, and a schedule for moving forward, and I had to do so within a very compressed time period. Consequently, I am also uniquely positioned to know about the considerations that went into the decisions that are embodied in the rebuilding plan.

The Physical Task of Rebuilding the World Trade Center

53. The physical task alone of combining the many elements that will comprise the new World Trade Center exceed anything that might be confronted by a conventional real estate developer. Because of the unprecedented size and complexity of the project, nearly all components of the rebuilding process are interdependent. In addition, all of the numerous, large projects are taking place simultaneously within the tight confines of the World Trade Center site. As a result, any challenge associated with one aspect of the rebuilding process can have ripple effects on all other aspects.
54. Almost two million tons of debris that had once been the World Trade Center had to be screened for body parts, examined for evidence, and carted away. Neighboring buildings that had been damaged had to be restored or torn down. A plaza-level pedestrian bridge that had connected 7 World Trade Center to the World Trade Center complex was destroyed. West Street, one of Manhattan's two north-south highways, was impassable, as were numerous city streets. The World Trade Center was Battery Park City's vital link to the rest of New York

City, and two land bridges providing pedestrian access to Battery Park City had been destroyed. The PATH system, which carried 60,000 commuters from New Jersey to lower Manhattan, had to be rebuilt. Service had to be restored to two subway lines and two subway stations had to be completely rebuilt.

55. Electrical service to the World Trade Center had been supplied by a dedicated Consolidated Edison substation. This service passed through the World Trade Center Primary Distribution Center. The complex also was served by emergency generators located onsite at the World Trade Center complex and was protected by the World Trade Center Fire Protection Systems, an extensive fire detection and voice evacuation paging system that was substantially upgraded after the 1993 World Trade Center bombing. Fire Command Stations staffed by Fire Safety Directors were located in the lobbies of each building and an Operations Control Center monitored these systems. These two electric power substations were destroyed and had to be replaced, as did the temporary electric conduits that had been installed on top of city streets and sidewalks to supply electricity.
56. Restoration of this magnitude does not constitute a conventional real estate venture and requires resources significantly beyond conventional reconstruction.

The Economic Impact of Rebuilding

57. Redevelopment of the World Trade Center site is essential to lower Manhattan's vitality and economic health, and it will have a substantial economic benefit to numerous sectors of the Downtown economy as well as the City and region as a whole.
58. The economic impact of redeveloping the World Trade Center site will have a substantial impact on New York City both in the short term and in the long term. In its 2003 analysis, *Economic Impact of Redeveloping The World Trade Center Site: New York City, New York State, And the New York-New Jersey Area* ("Appleseed Report"), which the LMDC requested, Appleseed, a respected New York City-based economic development consulting firm, reported that:
 - Traffic generated by the establishment of a regional retail hub at the World Trade Center site could over time encourage further investment in commercial development at other sites in the area;
 - The new PATH terminal will in the future be able to accommodate substantial growth in the number of employees commuting to lower Manhattan from New Jersey;
 - The development of new public spaces, cultural activities, retail choices and employment opportunities will make lower Manhattan a more attractive place to live; it will thus encourage further investment in residential development in the area and the continued revitalization of lower Manhattan as a vibrant, twenty-four-hour live-work community.²¹

59. The Appleseed Report estimated that construction between 2003 and 2012, measured in 2003 dollars, "would generate \$14.02 to \$15.42 billion in total economic output in New York City, and an average of 7,760 to 8,530 full-time equivalent jobs each year for thirteen years."²²
60. Appleseed also estimated that in 2003 dollars, "ongoing operations of businesses and institutions located at the site, along with spending by visitors, will increase New York City's annual economic output by \$15.7 billion, and increase continuing citywide employment by 76,950 full-time equivalent jobs." It further estimated that "through 2015, construction at the World Trade Center site will cumulatively generate between \$149 and \$184 million in New York City tax revenues. In 2015, ongoing operations at the site and spending by visitors will generate \$425 million in annual City tax revenues."²³
61. The thousands of jobs, tens of billions of dollars in spending, and billions more in taxes combine to provide an extraordinary public benefit and a fundamental policy rationale for reconstruction of the World Trade Center.²⁴

Coordination with Other Property Owners

62. No reconstruction plan for the World Trade Center could proceed without the participation of the government of the City of New York (which owned streets and easements within the property's boundaries), the New York State Metropolitan Transportation Authority (which owned two subway lines traversing the property), the New York State Department of Transportation (which owned West Street), the PANYNJ, the Con Edison Company, Verizon, and a long list of other property owners.
63. This, too, is not a part of a conventional real estate venture and required resources significantly beyond those of conventional reconstruction.

The Politics of Rebuilding

64. Any plan for the reconstruction of the World Trade Center had to be acceptable to stakeholders other than the holder of a lease on the World Trade Center (the WTCP plaintiffs) and its property owner (the Port Authority). For example, many victims' families (and others) did not want anything built where the Trade Center had once stood, nor on the vehicular arteries that so many others wanted restored.
65. Many workers and residents of lower Manhattan wanted Greenwich and Fulton Streets re-established. A restored Fulton Street could provide a bus connection between ferry stations on the Hudson and East Rivers and virtually every north-south subway line in Manhattan. A restored Greenwich Street could reconnect the district around the Battery to the south with Tribeca to the north, and relieve a substantial amount of the bus and truck traffic congesting lower Manhattan.
66. Politically speaking, replacing any of the buildings on the site of the World Trade Center could not occur unless there was public acceptance of a plan for the rebuilding. Without that public acceptance, no elected official of the City of New York or the States of New York or New Jersey would allow the rebuilding to proceed. Once again, this is not a part of a

conventional real estate venture and required resources significantly beyond those of conventional reconstruction.

National and International Aspects of Rebuilding

67. As explained in this section, public involvement in the planning for the rebuilding of the World Trade Center was appropriate and far-reaching because the public interest was so extensive and because the impact on the public of the rebuilding would be so great.
68. On September 11, 2001, Mayor Rudolph Giuliani declared: "We will rebuild: We're going to come out of this stronger than before, politically stronger, economically stronger. The skyline will be made whole again."²⁵
69. In an address to a Joint Session of Congress and the American People on September 20, 2001, President George W. Bush introduced both Governor Pataki and Mayor Giuliani and pledged to help the rebuilding effort: "Tonight we welcome two leaders who embody the extraordinary spirit of all New Yorkers: Governor George Pataki, and Mayor Rudolph Giuliani. As a symbol of America's resolve, my administration will work with Congress, and these two leaders, to show the world that we will rebuild New York City."²⁶
70. The site took on national and international significance as a result of the terrorist attack. Perhaps it was the magnitude of the death toll: 2,749. Perhaps it was because the whole world had been horrified when they watched on television as two planes crashed into the towers. They had seen desperate building occupants jump from windows in the burning buildings and watched helplessly as each tower collapsed. Perhaps it was because this was premeditated murder, rather than a natural disaster. Perhaps it was because the foreign terrorist organization that was responsible for the attack intended to portray on television to the entire world the weakness of its increasingly global economy and of America's market-driven, pluralist democracy. Whatever the reason, in the aftermath of September 11 everybody wanted to participate in the reconstruction. This national and international significance became a major part of the public benefit and iconic status of reconstruction.
71. For the public it was built to serve, the Twin Towers were a daily landmark — a directional anchor. For visitors, they were symbols of a dynamic New York. For the rest of the world, they were the immediately recognizable symbols of New York City. All had been touched by the destruction of the World Trade Center and its powerful absence.
72. Political leaders, legislators, economists, historians, architects, urban planners, and countless ordinary citizens believed that rebuilding the World Trade Center complex was essential to New York City's vitality and economic health, to the preservation of the economic well-being of the Northern New Jersey-New York metropolitan area, to restore what had been taken from the public, and to demonstrate public resolve to rebound from the terrorist attack. And, indeed, it was essential.
73. Following the destruction of the World Trade Center, designers and developers around the world prepared proposals for its reconstruction. The plans came in four varieties: fantastical, unrealistic, theoretical, and practical. Not only were many of these plans unusable, their

idealism fostered unrealistic expectations on the part of the general public. These expectations were amplified by civic organizations that also made proposals without regard to the physical, functional, financial, and legal problems of what they advocated. Most authors of these plans ignored the players whose agreement was necessary if anything were to happen. One by one these plans fell by the wayside until Governor George Pataki announced that Studio Libeskind would prepare a master plan for the site. Although WTCP had a voice in the master plan, it was only one of many.

74. There were other equally unrealistic recommendations that were not at all fanciful. Many of the victims' families opposed building on what they felt was "sacred ground." Some even opposed restoring to the site the train service that PATH had provided to 60,000 New Jersey commuters. But these raw emotions, even if understandable, did not take into account the thousands of workers in lower Manhattan office buildings who did not want to look out over a permanent graveyard, or the people who had lost jobs that depended on the customers who once worked in and visited buildings, which no longer existed, or the people who worked and lived in the community that longed for a return to a semblance of normal life, or the community leaders, politicians and citizens who worried that 9/11 could put New York City on a downward path from which it might never recover.
75. Many others favored the opposite solution: rebuilding the World Trade Center exactly as it had stood prior to the attack. Their unrealistic and infeasible desire was no less heartfelt – and their solution was no more possible – than that of the people who wanted nothing built on the unidentified remains of what might be one of their loved ones.
76. The most exhaustive presentation of possible reconstruction schemes was prepared by New York New Visions, a civic coalition of 21 architecture, engineering, planning, and design organizations that had been formed in the wake of events of September 11. New York New Visions' Principles for the Rebuilding of Lower Manhattan called for a better relationship between lower Manhattan and the Region and a more connected downtown. Its unique contribution was to demand "an open memorial process," "an effective and inclusive planning process," and "design excellence and sustainability."²⁷ Unlike previous and most contemporaneous planning proposals, New York New Visions stressed the importance of creating a suitable memorial to the events of September 11 and the need to rebuild lower Manhattan around that memorial. Its objectives had no physical, functional, or financial form, and therefore still required considerable work to be transformed into an action plan.
77. While New York New Visions was calling for public involvement in "an effective and inclusive planning process," other groups actively sought public input into planning for lower Manhattan, most notably Rebuild Downtown Our Town ("R.Dot"), Imagine New York, and the Civic Alliance. R.Dot was formed in the aftermath of September 11 as a coalition of Lower Manhattan residents, businesses, community and business associations, artists, colleges, professionals, architects, and designers together with public officials and appointees who were determined to influence the future of the area. Imagine New York, sponsored by the Municipal Art Society and a large network of civic partners, was a two-step process through which the general public could share their ideas for the future of lower Manhattan. During the spring of 2002, Imagine New York collected over 19,000 ideas at 230 public meetings (as well as from its website), and organized them into 49 vision statements.

78. The Civic Alliance was formed in a partnership between New School University, New York University, Pace University, and the Regional Plan Association. This ad hoc coalition of more than 85 organizations had brought together 650 people in February 2002 to discuss the future of lower Manhattan. They called this computerized version of an old-fashioned town meeting "Listening to the City."
79. The LMDC needed to demonstrate that it had been listening to ideas from every individual and organization. It did so in early April 2002, by publishing *Principles and Preliminary Blueprint for Action*. Thousands of people responded on the LMDC web site, in writing, and at public hearings.
80. The LMDC's first formal public hearing was devoted to the *Principles and Preliminary Blueprint for Action*. It was held on May 2, 2002 at Pace University in lower Manhattan. More than one thousand people attended. For the first time, opinions other than those of victims' families, local leaders, and the Port Authority were being presented forcefully. Among the most assertive were people who wanted the towers back, who demanded investment in Chinatown and the Lower East Side, and who had specific designs to present. Two important considerations emerged that had been overlooked in the original *Principles and Preliminary Blueprint for Action*: (1) universal access (for the disabled), and (2) security (including protection of building mechanical systems from chemical and biological terrorism).
81. More important, people clearly said they did not want *just anything* erected on the site. One particularly moving speaker explained that he had escaped from the World Trade Center's 79th floor before it collapsed. He had one simple request. "Please, make it the 7th wonder of the modern world."
82. Following the public hearing, the LMDC and the Port Authority had to translate the *Principles and Preliminary Blueprint for Action* into realistic development proposals.
83. Despite the very best of intentions, virtually everybody was dashing headlong into uncharted territory. Some of the world's most acclaimed designers were in a rush to establish the future shape of lower Manhattan. Civic leaders were in a rush to avoid the usual mediocre results. Those of us who were actually in charge of the reconstruction were in a rush to present what we thought would be high quality and well-received reconstruction proposals.
84. The LMDC, with its minimal staff, was in no position to prepare reconstruction proposals on a rapid basis. The Port Authority did not have sufficient public credibility to gain public acceptance of any proposals it might develop. Consequently, both organizations issued a Request for Proposals from qualified planning, design, and engineering firms. In early May 2002 they jointly chose a team headed by the architectural firm of Beyer, Blinder, and Belle to prepare alternative proposals that the LMDC and the Port Authority would present to the public.
85. Unlike most of the plans that pre-dated them, the six schemes presented by the Port Authority and the LMDC in July 2002 almost exclusively reflected the requirements of players who would have to implement the proposals, and ignored everybody else. The ill-begotten

redevelopment proposals that emerged were not an accident. Political leaders were in a hurry. New Yorkers wanted their city back and they wanted it *now*. The fastest way to proceed quickly was to make decisions based on power relationships. Consequently, there was not enough time for public consensus to emerge. The problem was compounded by the surprising number of participants who were uninformed about and uninterested in the realities of finance, property management, and politics.

86. The July 16, 2002 press conference unveiling the six Beyer, Blinder, and Belle "concept" plans for the reconstruction of the World Trade Center was televised worldwide. John Whitehead, chairman of the Board of the LMDC, delivered an eloquent address. He stated: "When the terrorists attacked the World Trade Center on September 11, 2001, they thought they were striking at the heart of our society, our democracy, our economy, our soul. They believed that if they knocked our buildings down, they would damage our spirits and sink our morale. They were wrong. It turns out that the attacks did the very opposite. The legacy of September 11 is one of courage, resilience, and determination...."²⁸
87. The LMDC and the Port Authority understood that they needed a public response to the ideas embodied in the six plans. They selected two mechanisms: a web site and another, much larger, day-long version of "Listening to the City."
88. The LMDC website, which my staff set up, proved to be an extremely effective way of getting the public to participate. In July 2002, when the LMDC released the initial six designs for the site, there were over 700,000 hits on the website, 570,000 of which were one-time visitors. For the first time, urban design and planning was the subject of computerized national polls. The New York Post ran a poll with over 150,000 respondents. CNN ran a poll that had 200,000.
89. When the 4,300 participants in the "Listening to the City" event arrived, they were assigned to tables seating twelve people in a manner that insured diversity and precluded domination by any particular interest or demographic group.
90. Each table had a volunteer facilitator, electronic keypads, and wireless connections to a central computer network. The central staff included a "theme team" that read and distilled key ideas from each table and a "tabulating team" that sorted demographic information, reactions to key ideas, and responses to specific questions. Large video screens projected this material throughout the hall. Consequently, participants had visible evidence that they and their opinions were part of the process. They were able to compare their positions with those of the group as a whole. Computer tabulation allowed the LMDC to see how different demographic and interest groups responded.
91. Never before had so many people participated in a discussion of planning, urban design, or downtown redevelopment. Rather than asking the public to comment on decided-upon plans, the LMDC presented alternatives and asked for their opinion. It was unequivocally told to come up with better alternatives.
92. The response was loud and clear. People expected something much, much better.

93. Consequently, on August 19, 2002, as a result of my efforts, the LMDC advertised an innovative design study. Respondents were asked to implement the public's desires by coming up with alternative schemes that reflected public opinion. The LMDC selected seven teams of designers from over 400 entries that originated in every continent, except Antarctica.
94. On October 11, 2002, nearly one hundred participants crowded into the LMDC conference room for an all-day introduction to the innovative design study. The design teams included: (1) Studio Daniel Libeskind; (2) Foster and Partners; (3) Richard Meier + Peter Eisenman + Charles Gwathmey + Steven Holl; (4) THINK (Rafael Vinoly, Frederic Schwartz, Ken Smith, and Shigeru Ban); (5) UNITED ARCHITECTS (Greg Lynn, Reiser + Umemoto, and Kevin Kennon); (6) Peterson/Littenberg; and (7) Skidmore, Owings & Merrill leading a team of artists and architects from around the world.
95. Representatives of President Bush, Governor Pataki, Mayor Bloomberg, the LMDC, the Port Authority, the New York State Department of Transportation, the Metropolitan Transportation Authority (MTA), and the New York City Department of Transportation presented material about the site and the issues that needed to be addressed. Each team was given a thick portfolio containing a specific program, a planning context for all of lower Manhattan that included actions the City and the LMDC recommended, a computer disc with digital drawings of the site with specific measurements, and a variety of relevant reports that had been issued by the LMDC, the Port Authority, and city and state agencies.
96. Thereafter, under my direction every two weeks the combined staffs of the LMDC and the Port Authority met separately with each design team. These sessions were informal and lasted about two hours. Each team presented its ideas and, as its proposals crystallized, a range of possible designs. The designers asked questions of the LMDC and Port Authority staff, which were often able to provide technical support, and invariably had questions and reactions of their own.
97. On December 18, 2002, each team presented their work at a press conference televised around the world. The next day, the LMDC opened an exhibition that my staff organized. It consisted of drawings and models of all nine schemes (three were by the THINK team) at the Winter Garden in Battery Park City.
98. All nine designs also were displayed on the LMDC website, which my staff managed, which had two million unique visitors (seven million hits) in the first two weeks following the press conference.
99. As a result of public comment and extensive analysis by the staffs of the Port Authority and the LMDC, two of the exhibited schemes were selected for further work.
100. On February 4, 2003, the LMDC and the Port Authority announced that they would work with THINK on its proposal for a "World Cultural Center" (The Twin Towers of Culture) and Studio Libeskind on the proposal it called "Memory Foundations." For the next three and a half weeks each team altered its design to deal with problems that had surfaced during the LMDC-Port Authority review.

101. On February 27, 2003, in the Winter Garden at the World Financial Center, directly across the street from the former World Trade Center, with every major news agency in the world present, connected by live television to the entire globe, New York Governor George Pataki, New York City Mayor Michael Bloomberg, and Port Authority Executive Director Joseph Seymour announced the results of the 12-month replanning process that I directed: Studio Libeskind was selected.

102. Various public officials confirmed the public purpose and benefits of the process and project:

- Governor Pataki said the rebuilding would bring “back the life to Lower Manhattan that is so important for our future, and Lower Manhattan not only today is the financial capital of the world, but it’s going to be one of the most exciting places in the world to live, to work, and to raise a family for generations to come. And it puts in place the 21st century transportation, infrastructure, and brings the cultural institutions and retail and offices all together in a way that allows the productive use and redevelopment of important parts of Lower Manhattan.”²⁹
- Mayor Bloomberg confirmed that “The World Trade Center was a dramatic, defining icon for New York. It symbolized the ambitions of our city and was a beacon for people around the world seeking opportunity and freedom, and that’s exactly why New York City became the target for terrorism.”³⁰
- Port Authority Executive Director Seymour echoed that sentiment:

[Studio Libeskind’s plan set] aside ample space for a famed memorial. It lays the foundation for the economic recovery of lower Manhattan ... and enables us to move forward with ... reconnecting the site with the rest of lower Manhattan... [to] rebuild the shattered economy of lower Manhattan, and ... [to] begin to heal the wound that remains at ground zero and still exists in the hearts of men and women across the city.³¹

103. The public reaction to the terrorist attack was worldwide and extensive. The replanning process involved millions of people, more than had ever before participated in any planning project. Public involvement was appropriate because of the public interest and the public nature and purpose of the World Trade Center. Public involvement was so extensive that it has become an integral part of the public benefit of the World Trade Center and enhanced its iconic status far beyond both its enormous original iconic status and the even greater iconic status that emerged immediately after the terrorist attack.

104. The memory and role of the project that was destroyed PLUS the memory and reaction to the events of September 11, PLUS the extraordinary public involvement in planning reconstruction have become an indissoluble part of the significance and the value of the World Trade Center.

Interaction with the Port Authority and WTCP

105. In all my interaction with the Port Authority, it always indicated that it intended the public benefits and iconic status of the World Trade Center to persist and be enhanced notwithstanding the lease to WTCP. During the dealings I had with Larry Silverstein during the 15 months I was LMDC Vice-President, he continued to convey on behalf of WTCP the same commitment to the property's enhanced public benefit and iconic significance.
106. I had expected nothing less because the WTC Legislation in Section 6610 provides that: "the effectuation of the World Trade Center [is] and will be in all respects for the benefit of the people of the states of New York and New Jersey, for the increase of their commerce and prosperity and the improvement of their health and living conditions, and the port authority . . . shall be regarded as performing an essential government function in undertaking the effectuation thereof, and in carrying out the provisions of law relating thereto."³²
107. In fact, whatever was to be built on the site would go beyond the public benefit and iconic significance that existed prior to the terrorist attack to incorporate both (1) the added international significance of the attack, and (2) the added public benefits and iconic status that emerged from the 15-month planning process that I managed. This cannot be achieved by just putting up conventional office and retail space.

The Current Status of Rebuilding the World Trade Center and its Attendant Public Benefits

108. At the center of the World Trade Center redevelopment plan originally conceived by Studio Daniel Libeskind in 2003 is a Memorial and Memorial Museum. Surrounding the six-acre memorial space will be the WTC Transportation Hub, retail development, cultural facilities (including a performing arts center), new open spaces and the WTCP Buildings – the Freedom Tower (One World Trade Center), and Towers 2, 3, and 4. The Memorial, whose design was selected from more than 5,000 entries, was scheduled to open in 2010. The temporary PATH station re-opened in 2003. Currently under construction, the WTC Transportation Hub, designed by heralded architect and engineer Santiago Calatrava, will be a world-class transportation system, a downtown grand terminal that integrates the ferries, PATH, and NYC subway lines, creating seamless links that will carry commuters and millions of visitors. In addition, two streets (Greenwich and Fulton) will be newly extended through the site and two brand-new pedestrian ways (Cortland and Dey) will be created. Just outside of the 16-acre site, Tower 5 and a Vehicle Security Center will be built after 130 Liberty Street (the Deutsche Bank building) is abated and deconstructed.
109. With regard to the WTCP Buildings, the Freedom Tower, designed by world-renowned architect David M. Childs, FAIA, of Skidmore, Owings & Merrill, will be the tallest of the five towers. When complete, the Tower will stand a symbolic 1,776 feet tall, including a 408 foot-high spire. It will be one of the tallest buildings in the United States, second only to the Chicago Spire, which also is now under construction. A restaurant and an observation deck are planned for the top floors. Towers 2, 3, and 4, designed respectively by world-renowned architects Norman Foster, Richard Rogers, and Fumihiko Maki, will descend in height from the Freedom Tower and, together with the Freedom Tower, encircle the planned memorial.

The three design teams are working together out of the same office in 7 World Trade Center, a reminder that these are not simply individual projects, but part of a larger, greater good.

110. Although not at issue in this litigation, the new 7 World Trade Center, not laden with many of the challenges that complicate the work at the main World Trade Center site, was rebuilt expeditiously by one of the plaintiffs in this litigation, 7 World Trade Company L.P. Begun in 2002 and completed four years to the month later in May of 2006, 7 World Trade Center is the city's first Leadership in Energy and Environmental Design (LEED)-certified "green" building because of its energy-conserving façade, rainwater-collection system, recycled-content building materials, and pollution-control measures. 7 World Trade Center is a LEED Gold-rated tower, 2006 AIA Design Award winner, and Lumen Award of Excellence winner. Among other unique features, 7 World Trade Center's artwork is a blast shield, rainwater captured on the roof waters the park, and the park holds the fuel tanks. 7 World Trade Center made special, unique statements at several levels: urban design, architecture, life safety, and sustainability. It was designed by David Childs of Skidmore, Owings & Merrill.
111. Downtown Manhattan isn't dead, and 7 World Trade Center is in large part responsible for that, sparking the post-9/11 downtown office surge. It was the first new office building downtown in 19 years, and its success "validated office rebuilding in Ground Zero itself."³³ 7 World Trade Center is receiving record high rents for downtown and Goldman Sachs is constructing their \$2.3 billion, 43-story world headquarters across the street. Residential vacancies are around 7.5 percent, against a high of 13 percent four years ago. Office building vacancies are close to 6.7 percent, near the 6.5 percent pre-9/11, a marked improvement since a high of 13.7 percent in 2004.
112. It may not seem obvious from a view of Ground Zero, but work is substantially underway to replace the WTC Buildings. Hundreds of millions of dollars have been spent on architectural design, engineering and construction work on the new WTC Buildings. Since 2006, every major project on the site has begun construction: the foundations and footings for the Memorial and Museum are nearing completion, with steel slated to arrive soon; the Freedom Tower is now rising above street level; the foundation work of the WTC Transportation Hub has begun while the temporary North Access for the PATH Station has already been completed; and excavation or construction for the foundations for Towers 2, 3, and 4 and associated retail are well underway. As well, the two electric power substations that had been destroyed on 9/11 have been replaced.
113. Much of the critical groundwork has been completed. America will soon see four new skyscrapers ascend towards the sky. When the rebuilding of the World Trade Center is complete, it will be one of the most important locations in the country. It will represent the majesty and economic prowess of the old World Trade Center. It will also restore the public benefits purpose that the WTC is legislatively mandated to provide. It will honor those who lost their lives and family members on 9/11. It will be all that the old World Trade Center was, and because of its new historic significance, it will be more. It will be unique and special and enrich the lives of people in the region and around the world in countless ways.

114. When the rebuilding of the World Trade Center is complete, it will stand as a memory of what was, the perfidy of its temporary elimination, a testament to the public purpose it achieved, and the reasons it was rebuilt. It will have become an even more powerful icon and force for the public good.

Dated: August 14, 2008
New York, New York



ALEXANDER GARVIN

¹ ERIC DARTON, *DIVIDED WE STAND* 103 (Basic Books 1999) (hereinafter “Darton”) (emphasis in the original).

² Darton, at 103.

³ ANGUS KRESS GILLESPIE, *TWIN TOWERS: THE LIFE OF NEW YORK CITY’S WORLD TRADE CENTER* 184 (2nd ed. 2001) (hereinafter “Gillespie”).

⁴ Memorandum of Governor Nelson Rockefeller, filed with Assembly Bill, Introductory Number 4415, Print Number 4662, March 27, 1962, at 371 (hereinafter “Rockefeller”).

⁵ The Senate Commerce Committee Report (No. 744, 1961) on the proposed United States Foreign Commerce Act, at 10.

⁶ The Real Estate Board of New York, Inc., Research Department: *Office Building Construction: Manhattan 1947-1967* (1964), relevant excerpt attached hereto as Exh. 20, at 23.

⁷ ROBERT A. M. STERN, THOMAS MELLINS & DAVID FISHMAN, *NEW YORK* 1960, 167-170 (The Monacelli Press 1995).

⁸ NYC Department of City Planning: *Manhattan Office Space Market 1960-1978* (1979) (unpublished, on file with author), relevant excerpt attached hereto as Exh. 21.

⁹ Rockefeller, at 371.

¹⁰ Id.

¹¹ Anthony Robins, *THE WORLD TRADE CENTER* 6 (Pineapple Press 1987).

¹² Gillespie, at 78.

¹³ MATTHYS LEVY & MARIO SALVADORI, *WHY BUILDINGS FALL DOWN* 265 (W.W. Norton 2002).

¹⁴ PAUL GOLDBERGER, *UP FROM ZERO* 26 (Random House 2004) (hereinafter “Goldberger”).

¹⁵ Goldberger, at 28.

¹⁶ BILL HARRIS, *THE WORLD TRADE CENTER, A TRIBUTE* at 6/prologue (Courage Books 2001) (hereinafter “Harris”).

¹⁷ Gillespie, at 184.

¹⁸ Press Release, Port Authority of New York and New Jersey, In Historic Shift, Port Authority Puts World Trade Center on the Market (Sept. 24, 1998), attached hereto as Exh. 22.

¹⁹ Gillespie, at 147.

²⁰ Harris, at frontispiece.

²¹ APPLESEED, *ECONOMIC IMPACT OF REDEVELOPING THE WORLD TRADE CENTER SITE: NEW YORK CITY, NEW YORK STATE, AND THE NEW-YORK-NEW JERSEY AREA*, Oct. 30, 2003, at 6-7 (hereinafter “APPLESEED REPORT”), attached hereto as Exh. 23.

²² APPLESEED REPORT, at 4.

²³ APPLESEED REPORT, at 4.

²⁴ In addition to the Appleseed Report, among other reports, I have reviewed and relied upon MCKINSEY & CO., *ECONOMIC IMPACT OF THE ATTACK ON THE REAL ESTATE SECTOR*, attached hereto as Exh. 24, and A.T. KEARNEY, *REBUILDING THE WTC, ECONOMIC IMPACT ANALYSIS*, January 21, 2002, attached hereto as Exh. 25.

²⁵ Tess Taylor, *Rebuilding in New York*, *ARCHITECTURE WEEK* (Sept. 26, 2001), <http://www.architectureweek.com/2001/0926/today.html> (last visited July 31, 2008).

²⁶ President George W. Bush, Address to a Joint Session of Congress and the American People (Sept. 20, 2001), <http://www.whitehouse.gov/news/releases/2001/09/20010920-8.html> (last visited July 31, 2008).

²⁷ *NEW YORK NEW VISIONS, PRINCIPLES FOR THE REBUILDING OF LOWER MANHATTAN* 6-7 (February 2002), http://nynv.aiga.org/nynv_book.pdf (last visited Aug. 11, 2008).

²⁸ John Whitehead, Chairman, Lower Manhattan Development Corporation, Opening Remarks to Federal Hall Exhibit (July 16, 2002), <http://www.renewnyc.com/News/speeches.asp> (last visited Aug. 11, 2008).

²⁹ This quote is from a personal transcription of a VHS tape of the press conference, a copy of which is available upon request to WTCP counsel (hereinafter, “Press Conference”).


³⁰ Press Conference.

³¹ Press Conference.

³² N.Y. UNCONSOL. LAW § 6610.

³³ Steve Cuzzo, *Downtown's Breathtaking Boom*, N.Y. POST, Sept. 11, 2007,
http://www.nypost.com/seven/09112007/postopinion/opedcolumnists/downtowns_breathtaking_boom.htm
(last visited Aug. 11, 2007).

EXHIBIT 19

 alex garvin & associates, inc.

ALEXANDER GARVIN

EDUCATION

B.A. 1962, Yale University

M. Arch. & Master of Urban Studies, 1967, Yale University

BOOKS

The Beltline Emerald Necklace: Atlanta's New Public Realm, Trust for Public Land, 2004.

The American City: What Works, What Doesn't, McGraw-Hill, New York, Second Edition 2002.

Parks, Recreation, and Open Space: A 21st Century Agenda, American Planning Association, 2001.

Urban Parks and Open Space, Urban Land Institute, Washington, DC, 1997.

EXPERIENCE

Alex Garvin & Associates, Inc., Planning, Design & Development 2004-Present
President & CEO

Yale University 1967-Present
Adjunct Professor of Urban Planning & Management

NYC2012 1996-2001, 2003-2005
Managing Director of Planning & Design

Consultant 1980-2004
Urban Planning & Real Estate Development

New York City Planning Commission 1995-2004
Commissioner

Lower Manhattan Development Corporation 2002-2003
Vice President for Planning, Design, and Development

Octagon Corporation 1984-1994
Developer and Property Manager of New York City Real Estate


- Managing agent for 400 to 1,000 apartments depending on the year
- President or vice president of four cooperative apartment corporations
- Responsible for planning and design of two apartment buildings (unbuilt)

New York City Planning Commission 1978-1980
Director of Comprehensive Planning

New York City Housing & Development Administration 1974-1978
Deputy Commissioner

Responsible for program development and operation of all NYC housing rehabilitation and preservation programs, including:

- J-51 Tax Exemption/Abatement Program
- Participation Loan Program
- Neighborhood Preservation Program

 alex garvin & associates, inc.

New York City Planning Department 1970–1974
Director, Housing & Community Development

Roy & Millard, Architects (New York, NY) 1968–1970
Design Partner
 Headquarters Building of the Pennsylvania Joint Board of the Amalgamated Clothing Workers of America

New York Urban Coalition 1969–1970
Architect-Planner

Philip Johnson & John Burgee, Architects (New York, NY) 1967–1968
Architect-Planner

Pomerance & Breines (Paris, France) Summers 1965 & 1966
Designer

Louis de Marien (Paris, France) 1963–1964
Designer

Bureau d'Etudes Korsakoff (Saint-Forget, France) 1963–1964
Designer

PROFESSIONAL AFFILIATIONS

Urban Land Institute 1996–2004
National Fellow

Trust for Public Land 1996–present
National Advisory Council

Society of American City and Regional Planning Historians 2002–present
Board of Directors

Forum for Urban Design 2005–present
Board of Director

Ed Bacon Foundation 2004–present
Board of Directors

AWARDS

APA, New York City Chapter, Distinguished Service Award, 2004

Municipal Art Society, Special Recognition Award, 2003

AIA, New York Chapter, Honorary Member of the New York Chapter, 2002


Municipal Art Society, New York City Masterwork Award for the Best Planning and Urban Design, presented to NYC2012 for the Olympic X Plan, 2001

AIA, Book Award in Urbanism for *The American City: What Works, What Doesn't*, 1996

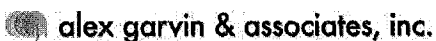
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- 2005 "Ground Zero: The Rebuilding of a City," *Perspecta* 36, The Yale Architectural Journal, Cambridge, MIT Press, 2005
- "Forward," *The Cultured Landscape*, edited by Sheila Harvey and Ken Fieldhouse, Routledge, London and NYC, 2005
- "The Architect of Society Hill," *The Next American City*, NYC., 2005
- 2004 "Mall Maker: Victor Gruen, Architect of an American Dream A Biography by M. Jeffrey Hardwick," *Archives of American Art Journal*, Vol. 3, No. 3-4, 2004. New York pp. 27-28.
- The Beltline Emerald Necklace: Atlanta's New Public Realm*, The Trust for Public Land, 2004
- "How Ground Zero Changed the Equation," *New York Sun*, November 29, 2004, New York City, p. 1
- "Design: What Lies Ahead," *Industrial Design*, November 2004, New York City, p. 128
- "Regulating in the Public Interest," *Perspecta* 35, The Yale Architectural Journal Cambridge: MIT Press, 2004
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EXHIBIT 20

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EXHIBIT E

ANNUAL INCREASE IN RENTABLE AREA
COMPLETED COMPETITIVE, NON-COMPETITIVE AND SPECIALTY BUILDINGS
IN MANHATTAN BY DISTRICT 1947-1963

Year and District	No of Bldgs	Total Rentable Area Square Feet	Competitive		Non-Competitive and Specialty	
			No of Bldgs	Rentable Area Square Feet	No of Bldgs	Rentable Area Square Feet
Total	166	58,337,000	125	48,575,000	41	9,762,000
1947	2	682,000				
Plaza			2	682,000	-	-
1948	3	226,000	3	226,000	-	-
Plaza	2	104,000	2	104,000	-	-
Miscellaneous†	1	122,000	1	122,000	-	-
1949	3	312,000	2	273,000	1	39,000
Plaza	1	170,000	1	170,000	-	-
Times Square	1	39,000	-	-	1	39,000
Miscellaneous†	1	103,000	1	103,000	-	-
1950	12	4,022,000	6	2,719,000	6	1,303,000
City Hall	1	206,000	-	-	1	206,000
Grand Central	3	1,216,000	1	704,000	2	512,000
Plaza	3	901,000	3	901,000	-	-
Times Square	2	840,000	1	700,000	1	140,000
Columbus Circle	2	484,000	1	414,000	1	70,000
Miscellaneous	1	375,000	-	-	1	375,000
1951	8	1,216,000	6	947,000	2	269,000
Insurance	1	140,000	1	140,000	-	-
City Hall	1	289,000	1	289,000	-	-
Grand Central	2	66,000	2	66,000	-	-
Plaza	4	721,000	2	452,000	2	269,000
1952	3	995,000	2	833,000	1	162,000
Grand Central	2	833,000	2	833,000	-	-
Times Square	1	162,000	-	-	1	162,000
1953	4	957,000	1	773,000	3	184,000
Financial	1	17,000	-	-	1	17,000
Grand Central	3	940,000	1	773,000	2	167,000
1954	10	2,299,000	9	2,246,000	1	53,000
Grand Central	5	1,043,000	4	990,000	1	53,000
Plaza	4	731,000	4	731,000	-	-
Times Square	1	525,000	1	525,000	-	-
1955	9	2,201,000	6	1,907,000	3	294,000
Financial	1	100,000	1	100,000	-	-
Insurance	1	153,000	1	153,000	-	-
City Hall	1	210,000	-	-	1	210,000
Grand Central	2	750,000	2	750,000	-	-
Plaza	2	614,000	1	584,000	1	30,000
Times Square	2	374,000	1	320,000	1	54,000
1956	10	3,912,000	10	3,912,000	-	-
Grand Central	5	2,620,000	5	2,620,000	-	-
Plaza	4	761,000	4	761,000	-	-
Columbus Circle	1	531,000	1	531,000	-	-
1957	17	5,529,000	14	4,718,000	3	811,000
Financial	2	695,000	2	695,000	-	-
Insurance	1	450,000	1	450,000	-	-
Grand Central	4	840,000	3	787,000	1	55,000
Plaza	9	3,052,000	8	2,786,000	1	266,000
Miscellaneous†	1	490,000	-	-	1	490,000

EXHIBIT E (cont)

Year and District	No of Bldgs	Total Rentable Area Square Feet	Competitive		Non-Competitive and Specialty	
			No of Bldgs	Rentable Area Square Feet	No of Bldgs	Rentable Area Square Feet
1958	16	4,871,000	14	4,762,000	2	109,000
Insurance	1	475,000	1	475,000	-	-
City Hall	1	925,000	1	925,000	-	-
Grand Central	10	2,372,000	9	2,272,000	1	100,000
Plaza	4	1,099,000	3	1,090,000	1	9,000
1959	19	6,411,000	18	5,911,000	1	500,000
Financial	2	1,675,000	2	1,675,000	-	-
Insurance	2	580,000	2	580,000	-	-
City Hall	1	300,000	1	300,000	-	-
Grand Central	3	955,000	3	955,000	-	-
Plaza	6	2,297,000	6	2,297,000	-	-
Miscellaneous [†]	5	604,000	4	104,000	1	500,000
1960	8	4,558,000	5	2,823,000	3	1,735,000
Financial	1	900,000	1	900,000	-	-
Grand Central	2	1,170,000	1	1,150,000	1	20,000
Plaza	4	2,288,000	2	573,000	2	1,715,000
Times Square	1	200,000	1	200,000	-	-
1961	15	7,701,000	9	5,101,000	6	2,600,000
Financial	2	2,068,000	2	2,068,000	-	-
City Hall	1	525,000	-	-	1	525,000
Grand Central	8	2,582,000	4	2,127,000	4	455,000
Plaza	4	2,206,000	3	906,000	1	1,300,000
Miscellaneous [†]	-	320,000	-	-	-	320,000
1962	10	4,773,000	7	4,007,000	3	766,000
Financial	3	1,227,000	2	1,150,000	1	77,000
Grand Central	4	1,157,000	4	1,157,000	-	-
Plaza	1	1,700,000	1	1,700,000	-	-
Miscellaneous [†]	2	689,000	-	-	2	689,000
1963	17	7,672,000	11	6,735,000	6	937,000
Financial	1	21,000	-	-	1	21,000
City Hall	2	891,000	1	515,000	1	376,000
Grand Central	10	5,400,000	8	5,217,000	2	183,000
Plaza	2	485,000	1	303,000	1	182,000
Columbus Circle	1	700,000	1	700,000	-	-
Miscellaneous [†]	1	175,000	-	-	1	175,000

Notes: ¹- Includes "additions" to existing buildings. See Exhibit B for Competitive and Exhibit C for Non-Competitive buildings by address.

[†]- Not within boundaries of The Real Estate Board's Selected Office Districts, as defined on the back cover.

EXHIBIT 21

MANHATTAN OFFICE SPACE MARKET 1960 - 1978

January 9, 1979

By John Wang

SUMMARY OF OFFICE BUILDING COMPLETION 1960 - 1975

YEAR	DOWNTOWN		MIDTOWN		MANHATTAN TOTAL	
	No. of Bldgs.	rentable s.f. (X 1,000)	No. of Bldgs.	rentable s.f. (X 1,000)	No. of Bldgs.	rentable s.f. (X 1,000)
1960	1	900	7	3,659	8	4,559
1961	3	2,595	13	5,108	16	7,703
1962	3	1,227	8	3,546	11	4,773
1963	3	912	15	6,708	18	7,620
1964	2	131	13	5,148	15	5,279
1965	3	1,616	12	2,432	15	4,048
1966	1	1,000	3	927	4	1,927
1967	3	604	6	3,526	9	4,130
1968	4	3,329	2	1,778	6	5,107
1969	3	3,211	14	11,375	17	14,586
1970	8	4,405	9	4,753	17	9,158
1971	5	5,434	13	8,142	18	13,576
1972	5	7,132	12	12,260	17	19,392
1973	1	2,550	5	2,583	6	5,133
1974	1	2,700	3	1,665	4	4,365
1975	1	1,400	3	1,460	4	2,860
1976	1	170	1	350	2	520
1977	1	430	1	1,300	2	1,730
1978	1	49	2	385	3	434
1960 - 1978 50		39,795	142	77,105	192	116,900

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A comprehensive study of the office industry in the United States with major focus on the New York Region and Manhattan Central Business District. It examined the historical growth pattern and recent trends of the office industry, as well as future dimension of office activities.

The study traced the growth of the office industry since 1880, the expansion of American economy had a direct bearing on the development of office industry, as the economy progressed from handling goods toward performing services and handling information, office-type occupation made an impressive gain which resulted in the increase of the office building construction.

The study discussed the types of office activities and analyzed the relation of office activities to urban size, urban economy and office employment. It provided valuable data on industry, employment and office building construction, such as size, type and location. The data also reflect past and present trends and future projection of office industry.

NEW YORK CITY PLANNING COMMISSION. "THE DEMAND FOR OFFICE SPACE IN MANHATTAN." UNPUBLISHED TECHNICAL REPORT. NEW YORK: NEW YORK CITY PLANNING COMMISSION, 1971.

The report examined three major factors in the demand for office space; (1) employment growth, (2) increase in floor space per worker and (3) replacement of existing office space. It discussed the impact of new office construction on CBD land use and project future growth in office industry.

The report provided a table summarized the office industry development from 1959 to 1970, which gave useful statistic on employment, new construction of office building, demolition, total and occupied office space, vacancy rates and FSW(floor space per worker) calibration.

THE REAL ESTATE BOARD OF NEW YORK, INC.. REBUILDING MANHATTAN: A STUDY OF NEW OFFICE CONSTRUCTION. NEW YORK: THE REAL ESTATE BOARD OF NEW YORK, INC. 1972.

A study of actual extent of office construction and what effect it had on Manhattan, the country's leader in office building industry. It examined the growth pattern of office industry in both pre and post World War II periods and provided a district by district analysis of office construction trends, size and characteristics.

It included tables that delineate office building construction periods, comparison of different building periods, etc.. The appendices provided comprehensive listing of competitive and non-competitive buildings constructed by district and by year from 1947 to 1974.

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(vacancy survey)

EXHIBIT 22

NEWS
World Trade Center

THE PORT AUTHORITY
OF NY & NJ

133-98: *FOR IMMEDIATE RELEASE* , September 24, 1998

IN HISTORIC SHIFT, PORT AUTHORITY PUTS WORLD TRADE CENTER ON THE MARKET

The Port Authority Board of Commissioners voted today to put the World Trade Center on the market, seeking a private operator under long-term lease for the world's largest commercial office complex and the tallest and best known structure on the New York City skyline. Port Authority Chairman Lewis M. Eisenberg announced the decision today.

The historic move, carried out at the direction of Governors George E. Pataki and Christine Todd Whitman, follows an exhaustive analysis of options for the 16-acre complex, according to Chairman Eisenberg. The Port Authority built the complex, which includes four office buildings and a hotel in addition to the 1,350-foot-tall twin towers, and has operated it since 1970, when the first tenants moved in.

Port Authority Chairman Eisenberg said, "The Port Authority has made the philosophy of Governors Whitman and Pataki a reality in our daily operations. To run the busiest terminal at Kennedy Airport, we reached out to a world-famous private sector manager. We are returning Port Authority industrial parks to the private sector. And today, we are applying that philosophy to one of the largest real estate transactions in the history of New York."

Port Authority Vice Chairman Charles A. Gargano said, "Private sector management means that the World Trade Center's role as a generator of jobs and economic activity will be even stronger. The 40,000 people who work there, in more than 400 firms from over 25 countries, are a vital part of New York's links to the global marketplace. Their wages and salaries, and their technical know-how, contribute vastly to the regional economy. The retail shopping mall has drawn shoppers to downtown, and stimulated residential development. And the World Trade Center is one of the biggest tourist attractions in a city with overwhelming appeal to tourists."

Executive Director Robert E. Boyle said, "Building the World Trade Center is one of the Port Authority's proudest achievements. Construction of 10.5 million square feet of first-class office space stimulated a revival of lower Manhattan. I'm proud of today's Port Authority staff, who have boosted occupancy rates to record levels, remade the shopping mall and increased revenues. And I am proud that the Port Authority is once again showing leadership in a new vision for this world-famous landmark."

Under the method selected by the Board, a private sector firm will be responsible for all day-to-day operations of the World Trade Center, and for capital investments. The Port Authority will continue to own the real estate under the building, and the building itself.

The first step will be for the Port Authority to issue a Request for Qualifications, to establish a

list of qualified bidders. They will have to demonstrate, among other things, financial capacity and experience managing large-scale commercial/retail properties. The agency will then deliver an offering memorandum to qualified companies, and begin negotiations with the company submitting the most favorable proposal. It is expected that the net lease arrangement would be concluded by the third quarter of 1999.

The World Trade Center complex includes 10.5 million square feet of office space and 300,000 square feet of retail space. In addition to the 40,000 people employed there, more than 100,000 business and leisure visitors come to the center each day.

end

Hit the 'Back' key on your browser to go back to the list...

EXHIBIT 23

Economic Impact of Redeveloping The World Trade Center Site:

**New York City, New York State,
And the New York-New Jersey Area**

**Appleseed
October 30, 2003**

Executive Summary

The redevelopment of the World Trade Center site will benefit New York City and other communities in the region in several ways. Construction at the site will provide business opportunities for local contractors and suppliers, and job opportunities for construction workers, skilled workers in related industries such as trucking, architects, engineers and other professionals. New office buildings will accommodate the continued growth of the City's high-value office-based industries. A new complex of cultural facilities and a hotel will support the continued growth of the arts and tourism industries. The memorial, as well as new businesses and cultural activities, will attract millions of visitors whose spending will also fuel the growth of the regional economy.

To measure these effects, the Lower Manhattan Development Corporation asked Appleseed, a New York City-based economic development consulting firm, to analyze the impact of redeveloping the World Trade Center site on three geographic areas: New York City, New York State, and the eighteen-county New York-New Jersey metropolitan area. For each of these three areas, Appleseed analyzed the direct impact of spending on construction through 2009, when the first new office building on the site will be completed and occupied, as well as the indirect and induced impacts of construction spending – the “multiplier effect.” We also analyzed the direct, indirect and induced impact of construction at the site between 2010 and 2015 – the date when LMDC expects construction to be completed.

We similarly analyzed the direct, indirect and induced impacts generated by the ongoing operations of businesses and institutions located at the site, and of spending by visitors – again using 2009 and 2015 as our benchmark years. Finally, we estimated the impact of both construction and ongoing operations on City and State tax revenues.

Background and Assumptions

For purposes of this analysis, we define Phase One of the redevelopment program as including major infrastructure investments, the permanent PATH terminal and concourse, other below-grade investments, the World Trade Center memorial, a 2.8 million square foot office building (the “Freedom Tower”), 750,000 square feet of retail space, and 670,000 square feet of space for cultural uses. LMDC estimates the total cost (including actual construction costs as well as “soft” costs such as design and engineering) of Phase One to be between \$6.05 to \$6.66 billion.

Phase Two will include construction of an additional 7.2 million square feet of office space and a 600,000 square foot hotel. LMDC estimates the cost of Phase Two at \$3.98 to \$4.38 billion. The cost of the redevelopment program through 2015 is thus expected to total \$10.04 to \$11.04 billion.

(The definition of project phasing outlined above is consistent with the schedule for development outlined in LMDC's Generic Environmental Impact Statement for the World Trade Center Memorial and Redevelopment Plan (GEIS). The endpoints of each

phase – 2009 and 2015 – represent “study years” that are used in the GEIS to compare environmental impacts to baseline conditions and alternatives. The phasing plan thus reflects conservative estimates of environmental impacts, in that it assumes that more than half of all construction will occur in the first phase. In practice, the actual scheduling of construction over the course of the development will to some extent remain flexible.)

In calculating the impact of ongoing operations at the site, Appleseed made several assumptions about the companies and institutions doing business at the site. For example, we assumed that in 2009 the Freedom Tower will be 70 percent occupied and that in 2015 the 10 million square feet of office space at the site will be 90 percent occupied. We assumed that 50 percent of all retail activity at the site and 50 percent of the activities of cultural institutions will represent new economic activity for New York City; the rest would represent activity that, in absence of the World Trade Center site redevelopment, would have occurred elsewhere in the City. We assumed that the ratio of employees to newly-developed space will range from 1 per 1,000 square feet for the hotel to 4 per 1,000 square feet for office space to 6.7 per 1,000 square feet for restaurants. These assumptions reflect the findings of previous studies conducted by Appleseed on the impact of major development projects in Manhattan, as well as analyses of the demand for commercial space in Lower Manhattan conducted for LMDC in 2002 and 2003.

LMDC estimates that in 2009, 9 million people will visit the World Trade Center site; and in 2015, 5.5 million. For purposes of this analysis, Appleseed assumed that 20 percent of these will be people who come to New York to visit the site; 80 percent will be either local residents or out-of-towners who would have come to New York anyway, and are simply adding the World Trade Center site to their itinerary. In our analysis, only spending by the “new” 20 percent of visitors is counted toward the impact of redevelopment.

In calculating the “indirect and induced” impact of redevelopment (that is, the “multiplier effect,”) Appleseed used input-output models for New York City, New York State, and the New York-New Jersey metropolitan area that were created with the IMPLAN input-output modeling system – one of the most widely-used software programs for this type of analysis.

The Impact of Redevelopment

Over time, as the accompanying table shows, the redevelopment of the site will have a substantial impact on the New York area economy. Through 2015, construction activity at the site will cumulatively add as much as \$15.4 billion¹ to New York City’s total economic output, and will on average generate as many as 8,530 full-time equivalent jobs each year. Additional economic activity and additional jobs will also be created elsewhere in the New York-New Jersey region, and elsewhere in New York State as well.

¹ All dollar values used in this analysis are expressed in 2003 dollars.

After construction is finished in 2015, we estimate that the ongoing operations of businesses and institutions located at the site, along with spending by visitors, will increase New York City's annual economic output by \$15.7 billion, and increase continuing citywide employment by 76,950 full-time equivalent jobs. And as with construction, the rest of the New York-New Jersey area and the rest of New York State also benefit.

Redevelopment of the World Trade Center Site: Summary of Economic Impact: Construction and Operations						
	Direct, Indirect, and Induced Impact of Construction through 2015			Direct, Indirect, and Induced Impact of Operations in 2015		
	Cumulative Output (\$billions) <i>Range</i>	Avg Annual Employment (FTE) <i>Range</i>	Cumulative Tax Revenue (\$millions) <i>Range</i>	Annual Output (\$billions)	Annual Employment (FTE)	Annual Tax Revenue (\$millions)
NYC	14.02 - 15.42	7,760 - 8,530	149 - 184	15.70	76,950	425
NYS	16.38 - 18.02	9,740 - 10,650	261 - 287	16.40	89,820	460
NY-NJ Metro ²	17.62 - 19.38	10,090 - 11,030	411 - 451	16.36	84,820 ³	865

The impact of redevelopment on the City, the State and the region is highlighted in more detail below.

Impact on New York City's Economy

Construction:

- Between 2003 and 2015 the rebuilding of the World Trade Center would generate \$14.02 to \$15.42 billion in total economic output in New York City, and an average of 7,760 to 8,530 full-time equivalent jobs each year for thirteen years.

² NY-NJ Metro tax impacts include both state and local taxes.

³ While the impact of operations on the economic output of NY State and the NY-NJ Metro area are similar, the employment impact in the NY-NJ Metro area is significantly smaller than the NY State impact. This difference is due to the fact that the output per worker and employee compensation in the affected industries are higher in the metropolitan counties than in the rest of New York State.

Operations and visitor spending:

- In 2015, when the reconstruction is completed, the total impact on the City's economy from operations at the World Trade Center site and off-site visitor spending will include a \$15.70 billion increase in annual economic output and approximately 77,000 full-time equivalent jobs.

Impact on City tax revenues:

- Through 2015, construction at the World Trade Center site will cumulatively generate between \$149 and \$184 million dollars in New York City tax revenues.
- In 2015, ongoing operations at the site and spending by visitors will generate \$425 million in annual City tax revenues.

Impact on New York State's Economy

Construction:

- The cumulative impact on New York State's economy through 2015 from construction at the site would include an increase of \$16.38 to \$18.02 billion in total economic output, and an average of 9,740 to 10,650 full-time equivalent jobs each year for thirteen years.

Operations and visitor spending:

- In 2015, operations at the site and visitor spending will together produce a \$16.40 billion increase in annual economic output in New York State and approximately 89,820 full-time equivalent jobs.

Impact on State tax revenues:

- Construction activity through 2015 will cumulatively generate between \$261 million and \$287 million in State tax revenues.
- In 2015, ongoing operations and visitor spending will generate an annual \$460 million in State taxes.

Impact on the New York-New Jersey Region

Construction:

- Through 2015, construction at the World Trade Center site will generate an increase of \$17.62 to \$19.38 billion in the New York-New Jersey region's total economic output and an average of 10,090 to 11,030 full-time equivalent jobs each year for thirteen years.

Operations and visitor spending:

- In 2015, the total impact on the region's economy from operations and visitor spending will include a \$16.36 billion increase in annual economic output and approximately 84,820 full-time equivalent jobs.

Impact on state and local tax revenues:

- Region-wide, construction activity through 2015 will generate a cumulative total of between \$411 million and \$451 million in state and local tax revenues
- In 2015, ongoing operations and visitor spending will generate \$865 million in annual state and local taxes within the region.

Long-Term Effects of Redevelopment

This assessment of the economic impact of redevelopment of the World Trade Center site focuses on the direct impact of expenditures on construction, the activities of businesses and institutions that subsequently occupy new buildings at the site, and spending by visitors, as well as the secondary impact that occurs as spending by those entities, their employees and suppliers ripples outward through the local economy. In the long run, however, the redevelopment of the World Trade Center site could have implications for the local economy that are not addressed in this report. For example:

- By helping to reassert Lower Manhattan's role as a major center of commerce, redevelopment of the World Trade Center site could over time encourage further investment in commercial development at other sites in the area.
- Recent analyses of Lower Manhattan's retail potential suggest that the traffic generated by establishment of a regional retail hub at the World Trade Center site will spill over onto the surrounding streets, and induce further investment in retail development.
- Because it will be able to accommodate ten-car trains, the new PATH terminal will in the future be able to accommodate substantial growth in the number of employees commuting to Lower Manhattan from New Jersey.

- The development of new public spaces, cultural activities, retail choices and employment opportunities will make Lower Manhattan a more attractive place to live; it will thus encourage further investment in residential development in the area, and the continued revitalization of Lower Manhattan as a vibrant, twenty-four-hour live-work community.

Other pending projects – some directly related to the World Trade Center site, others located elsewhere in Lower Manhattan – would reinforce these long-term effects. These could include major investments at the Fulton Street Station and at South Ferry, as well as potential projects now under consideration including, air-rail links to John F. Kennedy and Newark Liberty airports, a direct connection to the Long Island Rail Road, and expansion of ferry services.

Over the next twenty years, these broader effects could prove to be just as important to the economy of New York City and the metropolitan area as the more directly-traceable impacts analyzed in this report. They are not, however, easy to quantify, especially at this stage of the redevelopment process. The estimates of direct, indirect and induced impacts presented here should therefore be seen as a relatively conservative definition of the ultimate impact of redeveloping the World Trade Center site.

Introduction

The redevelopment of the World Trade Center site will benefit New York City and other communities in the region in several ways. Construction at the site will provide business opportunities for local contractors and suppliers, and job opportunities for construction workers, architects, engineers and other professionals. New office buildings will accommodate the continued growth of the City's high-value, office-based industries. A new complex of cultural facilities and a hotel will support the continued growth of the arts and tourism industries. The memorial, as well as new businesses and cultural activities, will attract millions of visitors whose spending will also fuel the growth of the regional economy.

The Lower Manhattan Development Corporation asked Appleseed, a New York City-based economic development consulting firm, to assess the impact of redevelopment of the World Trade Center site on the economies of New York City, New York State, and the New York-New Jersey metropolitan area. This report presents the results of our analysis.

To measure the effects of redevelopment of the site, Appleseed analyzed the direct impact of spending on construction through 2009, when the first new office building on the site will be completed and occupied, as well as the indirect and induced impacts of construction spending – the “multiplier effect.” We similarly analyzed the economic impact of construction at the site between 2010 and 2015 – the date when LMDC expects construction to be completed.

We also analyzed the economic impact generated by the ongoing operations of businesses and institutions located at the site, and of spending by visitors – again using 2009 and 2015 as our benchmark years. Finally, we estimated the impact of both construction and ongoing operations on City and State tax revenues.

The impact of redevelopment on the City, the State and the region is highlighted in more detail in the following sections of the report. Part One provides an overview of the redevelopment program, and explains the assumptions on which our assessment of its impact is based. Part Two presents our assessment of the impact of redevelopment on the economy of New York City. Part Three deals with the impact of redevelopment on the economy of New York State, and Part Four, the impact in the New York-New Jersey metropolitan area.

Part One:

Overview, Assumptions and Methodology

This analysis examines the development of the World Trade Center site in two phases, the first concluding in 2009 and the second in 2015. These years represent respectively a mid-point in the overall construction at the World Trade Center site and its eventual completion.

Phase One, concluding in 2009, includes the completion of the memorial, the Freedom Tower, the permanent PATH terminal and concourse, as well as retail and cultural uses on the World Trade Center site. Included among these cultural uses are a museum and performing arts center. Phase One also represents the completion of a major investment in infrastructure, including the permanent reinforcement of the slurry wall, and the creation of streets, parks and open spaces. It also includes major investments in other below-grade infrastructure such as parking, truck docks, security improvements and utilities. Much of this infrastructure work is likely to be completed before 2009. The reinforcement of the slurry wall is expected in 2005, with the topping-out of the Freedom Tower, the completion of the Wedge of Light Plaza, the opening of the permanent PATH terminal, and the construction of the memorial substructure to follow in 2006. The Freedom Tower is projected to be completed and ready for occupancy in 2007-8.

Phase Two, concluding in 2015, includes the completion of the remainder of the commercial office space (towers 2-5) as well as the hotel. This analysis anticipates that by 2015 a full ten million square feet of office space (the Freedom Tower as well as Towers 2-5) will be on-line and ready for occupancy.

This definition of project phasing is consistent with the schedule for development outlined in LMDC's Generic Environmental Impact Statement for the World Trade Center Memorial and Redevelopment Plan (GEIS). The endpoints of each phase – 2009 and 2015 – represent “study years” that are used in the GEIS to compare environmental impacts to baseline conditions and alternatives. The phasing plan thus reflects conservative estimates of environmental impacts, in that it assumes that more than half of all construction will occur in the first phase. In practice, the actual scheduling of construction over the course of the development will to some extent remain flexible.

The Cost of Redevelopment

LMDC estimates that the total cost of the redevelopment program outlined above will range from \$10.04 billion to \$11.04 billion.⁴ These totals include the “hard” cost of actual construction work, as well as the “soft” costs of design and engineering,

⁴ Estimates are preliminary and subject to change. The cost estimate for the memorial will be refined to reflect the design selected.

construction management, insurance, legal services, etc. The derivation of this estimate is presented in Table 2.

Table 2
Construction Cost

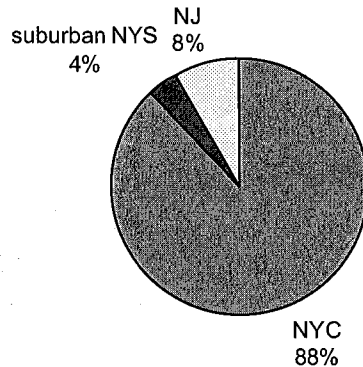
		Total Construction Cost without Contingency	Total Construction Cost with Contingency
	SF (000s)	(\$B)	(\$B)
PHASE 1 - 2009			
Path Terminal and Concourse		\$ 1.82	\$ 2.00
Infrastructure		0.36	0.40
Below-grade Investment		1.06	1.17
Commercial	2,800	1.81	1.99
Retail	750	0.41	0.45
Museum	180	0.13	0.15
Cultural Institutions	240	0.18	0.20
Performing Arts Center	250	0.19	0.20
Memorial ⁴		0.10	0.11
Total Phase 1		6.05	6.66
PHASE 2 - 2015			
Commercial	7,200	\$ 3.67	\$ 4.03
Hotel	600	0.32	0.35
Total Phase 2		3.98	4.38
GRAND TOTAL		10.04	11.04

Sources: Port Authority and LMDC

By definition, all of the actual construction work involved in redevelopment of the World Trade Center site takes place in New York City. But some other work involved in the redevelopment process – such as administrative and construction management functions, design and engineering work, etc. – will take place off-site. As a result, some of the estimated \$10.04 to \$11.04 billion in direct spending on redevelopment will occur outside the City. In order to take this difference into account, Appleseed estimated the percentage of total direct spending that would occur in four suburban counties in New York, and in nine counties in New Jersey. As Figure 1 shows, we assume for purposes of this analysis that 12 percent of all direct spending on redevelopment will occur outside the City.⁵

⁵ This assumption reflects the findings of prior Appleseed research on the location of contractors involved in several major development projects in Manhattan. We assume that 85 percent of the value of all “hard” construction represents work that is actually done on-site, and is therefore counted as activity occurring in New York City. The remaining 15 percent of the value of contract construction represents work done off-site. We further assume that half of the off-site construction work on PATH and other infrastructure occurs outside New York City; and that 30 percent of all off-site work on building construction occurs outside New York City. “Soft” costs primarily involve work done off-site and are similarly allocated between New York City and other metropolitan counties in New York and New Jersey.

Figure 1
Location of Construction Spending



Operating Assumptions

To gauge the impact of ongoing operations at the World Trade Center site it is necessary to make some assumptions about:

- Occupancy rates for each type of use in the redevelopment program;
- For each of the uses, the average number of workers employed per 1,000 square feet of space;
- The nature of the businesses occupying commercial space; and
- The extent to which new buildings and new business at the World Trade Center site represents a net addition to the local economy, or simply a substitute for business that would be occurring elsewhere in the area.

Occupancy rates

For purposes of this analysis, we assume that in 2009:

- The 2.8 million square feet of office space developed in Phase One (that is, the Freedom Tower, to be completed in 2007-2008) will be 70 percent occupied.
- The retail space to be developed in Phase One will be 95 percent occupied. This assumption reflects the findings of several studies of the demand for retail space in Lower Manhattan that were conducted in 2002 and 2003 for the Port Authority and LMDC, as well as actual vacancy rates in the World Trade Center prior to September 11th.
- The cultural facilities will be fully occupied and in use year-round.

We further assume that in 2015, 90 percent of the 10 million square feet of office space included in the redevelopment program will be occupied. This level of occupancy is consistent with historical trends in vacancy rates for Manhattan office space, averaged over the business cycle. It also reflects analyses of long-term trends in demand for office space in Lower Manhattan, conducted for LMDC by Appleseed and Real Estate Solutions, LLC.

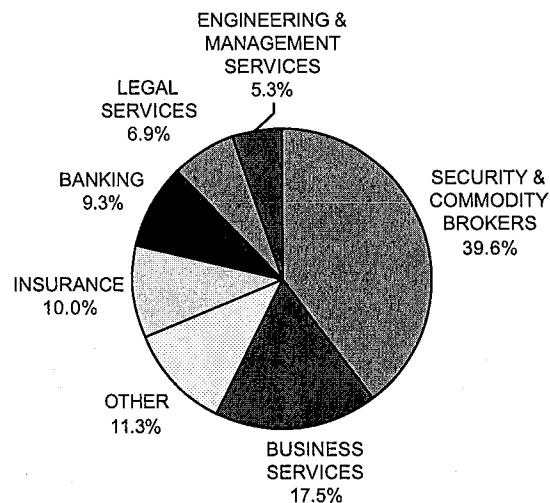
Employment ratios

The ratio of workers employed to occupied space will vary greatly from one use to another. For the purpose of this analysis Appleseed estimates that this ratio will vary from 1 per 1,000 square feet for the hotel to 4 per 1,000 square feet for commercial office space and 6.7 for restaurants.⁶ The employment ratio for the hotel assumes that it will operate within the normal range of occupancy for Manhattan hotels. Those for cultural space are based on employment patterns at several other New York City institutions of comparable size, and as noted above, assume that those spaces are fully occupied and operating year-round.

Nature of commercial tenants

The economic impact of companies that rent space in the new office towers at the site will vary by industry. For example, IMPLAN reports that the average output per worker in the securities industry in 2000 was \$403,700, while in legal services the average per worker was \$153,900.⁷ For purposes of this analysis, we assume that the types of businesses occupying the new office buildings at the site will reflect the mix of office-based businesses found in Lower Manhattan in 2001, before the attack on the World Trade Center (Figure 2). (In reality, Lower Manhattan's office-based economy will inevitably evolve during the next dozen years. For purposes of this analysis, however, we have not attempted to forecast how that evolution might affect the area's industry mix.)

Figure 2
Industry Mix of Commercial Office Tenants
In Lower Manhattan, 2001



Source: NYSDOL

⁶ These assumptions reflect previous Appleseed analyses of actual space-to-employment ratios in comparable space in Manhattan.

⁷ IMPLAN input-output database.

We further assume that 35 percent of the planned retail space will be allocated to restaurants and other food services, and that other types of retailing will account for the remaining 65 percent.

Substitution effects

Not all of the businesses that occupy commercial office space at the World Trade Center site will represent a net addition to the local economy. Some of the space will be occupied by businesses that, if the new buildings had not been developed, would have been located elsewhere in New York City. For purposes of this analysis, we assume that this “substitution effect” will account for 20 percent of all commercial office space at the site; conversely, 80 percent of all commercial office occupancy at the site will represent a net addition to the local economy⁸. We also assume that since the demand for hotel services will be tied primarily to the growth of office-based business activity, 80 percent of all hotel occupancy at the site will represent net new business.

The identity of the cultural institutions that will occupy space at the World Trade Center site, and the nature of their programming, is yet to be determined. We can reasonably assume, however, that the site will include some institutions (and some audiences) that will be relocating from elsewhere in New York City. For purposes of this analysis, we assume that 50 percent of all patronage at cultural facilities at the site will substitute for spending on the arts and entertainment that would have occurred elsewhere in the City. We further assume that 50 percent of all retail and restaurant sales will substitute for sales that would have occurred elsewhere in the City. The remaining 50 percent will represent net new activity.

Table 3 summarizes our assumptions about occupancy rates, substitution rates, employment ratios and net new jobs.

⁸ In effect, we are assuming that demand for commercial office space will have recovered by 2009 and that growth of the City’s office-based industries will be strong enough to support a significant volume of new construction through 2015. As noted previously, this is consistent with the results of analyses of the Lower Manhattan market conducted for LMDC by Appleseed and Real Estate Solutions, as well as analyses by several independent authorities. See, for example, Hugh F. Kelly, *New York Regional and Downtown Office Market: History and Prospects after 9/11*, August 2002.

Table 3
Operating Assumptions

	SF (000s)	Emp/ 1000SF	Occupancy rate	Total # WTC site jobs	Substitution	Total # WTC site new jobs
PHASE 1 - 2009						
Commercial Office Space	2,800	4	70%	7,840	20%	6,272
Retail	750	5.6	95%	3,986	50%	1,993
Museum	180	1.6	*	288	50%	144
Cultural Institutions	240	1.8	*	432	50%	216
Performing Arts Center	250	2	*	500	50%	250
Total	4,220			13,046		8,875
PHASE 2 - 2015						
Commercial Office Space	10,000	4	90%	36,000	20%	28,800
Retail	750	5.6	95%	3,986	50%	1,993
Museum	180	1.6	*	288	50%	144
Cultural Institutions	240	1.8	*	432	50%	216
Performing Arts Center	250	2	*	500	50%	250
Hotel	600	1	*	600	20%	480
Total	12,020			41,806		31,883

* not applicable

Visitor Assumptions

LMDC estimates that in 2009, 9 million people will visit the memorial and other attractions at the World Trade Center site; and that by 2015, we conservatively assume that the number of visitors will have stabilized to 5.5 million. For purposes of this analysis, we assume that 20 percent of these visitors will be people who are coming to New York City specifically to see the memorial and for other activities at the site. The remainder will be either local residents or people who would have come to New York in any case and are simply adding the site to their local itinerary.

Our assumptions about the origins of these visitors, how long they stay and their spending patterns are based on a survey of visitors to the City in 2001, conducted for New York City & Co.⁹ To avoid double counting, we further assume that 50 percent of all spending by these visitors will occur at the site; and that this on-site spending is already accounted for in our analysis of the impact of new retail, restaurant, and hotel operations at the site. The remaining 50 percent of all spending by these visitors will occur offsite, and will have an additional impact on the local economy.

⁹ New York City & Co reported the following data on 2001 leisure visitors to New York City: 1) origin - 16% international, 20% New York State, 16% New Jersey, and 48% other US; 2) average spending - \$145 for domestic visitors and \$73 for international visitors; 3) average length of stay - 1.4 nights for domestic visitors and 9 nights for international visitors.

Analyzing the Indirect and Induced Effects of Redevelopment

The economic impact of redeveloping the World Trade Center site will not be limited to the business done and the jobs created by contractors involved in the rebuilding process, and by the companies that locate at the site when construction is completed. These contractors and companies will themselves buy a wide range of goods and services – furniture, office supplies, accounting and legal services, telephone service, etc. – from other local companies. Their employees will also spend part of their incomes locally, on housing, food, clothing, utilities, entertainment, etc. The local businesses from which World Trade Center site contractors, tenant companies and employees buy goods and services will in turn buy goods and services from other local businesses, and so will *their* employees.

To measure these “indirect and induced” or “multiplier” effects, Appleseed used three models based on the IMPLAN input-output modeling system – one model for New York City, a second for New York State, and a third for the New York-New Jersey metropolitan area. Based on the assumptions outlined above, we used these models to calculate the direct, indirect and induced impact of construction spending on employment, wages and economic output for each geographic area. We similarly used the three models to calculate the direct, indirect and induced impacts on employment wages and output resulting from ongoing business activity at the site, and from spending by visitors.

Finally, we used our IMPLAN-based models, along with additional information about state and local taxes and the recently-announced agreement between New York City and the Port Authority on “payments in lieu of taxes” on the World Trade Center site, to assess the impact of redevelopment of the site on state and local revenues.

Long-Term Effects of Redevelopment

This assessment of the economic impact of redevelopment of the World Trade Center site focuses on the direct impact of expenditures on construction, the activities of businesses and institutions that subsequently occupy new buildings at the site, and spending by visitors, as well as the secondary impact that occurs as spending by those entities, their employees and suppliers ripples outward through the local economy. In the long run, however, the redevelopment of the World Trade Center site could have implications for the local economy that are not addressed in this report. For example:

- By helping to reassert Lower Manhattan’s role as a major center of commerce, redevelopment of the World Trade Center site could over time encourage further investment in commercial development at other sites in the area.
- Recent analyses of Lower Manhattan’s retail potential suggest that the traffic generated by establishment of a regional retail hub at the World Trade Center site will spill over onto the surrounding streets, and induce further investment in retail development.

- Because it will be able to accommodate ten-car trains, the new PATH terminal will in the future be able to accommodate substantial growth in the number of employees commuting to Lower Manhattan from New Jersey.
- The development of new public spaces, cultural activities, retail choices and employment opportunities will make Lower Manhattan a more attractive place to live; it will thus encourage further investment in residential development in the area, and the continued revitalization of Lower Manhattan as a vibrant, twenty-four-hour live-work community.

Other pending projects – some directly related to the World Trade Center site, others located elsewhere in Lower Manhattan – would reinforce these long-term effects. These could include major investments at the Fulton Street Station and at South Ferry, as well as potential projects now under consideration such as Air Rail links to John F. Kennedy and Newark Liberty airports, a direct connection to the Long Island Rail Road, and expansion of ferry services.

Over the next twenty years, these broader effects could prove to be just as important to the economy of New York City and the metropolitan area as the more directly-traceable impacts analyzed in this report. They are not, however, easy to quantify, especially at this stage of the redevelopment process. The estimates of direct, indirect and induced impacts presented here should therefore be seen as a relatively conservative definition of the ultimate impact of redeveloping the World Trade Center site.

Part Two:

Impact on New York City's Economy

To assess the impact of redevelopment of the World Trade Center site on New York City's economy, we analyzed the direct, indirect and induced impact of spending on construction during Phase One and Phase Two, and the direct, indirect and induced impact of operations and visitor spending in 2009 and 2015. We also estimated the increase in state and local tax revenues that this increased economic activity would produce.

Construction

Total

Through 2015, LMDC estimates that the total cost of redeveloping the World Trade Center site (including actual construction as well as soft costs such as architecture and engineering) will range from \$10.04 to \$11.04 billion¹⁰. We estimate that direct spending on construction will annually generate between 4,500 and 4,950 full-time equivalent jobs in construction and related industries in New York City for 13 years.

Taking into account direct, indirect and induced impacts, the total impact on New York City's economy from 2003 through 2015 from construction at the site would include:

- *A cumulative increase of \$14.02 to \$15.42 billion in total economic output and*
- *An average of 7,760 to 8,530 full-time equivalent jobs each year.*

Phase One

LMDC estimates that through 2009, the total cost of redeveloping the World Trade Center site will range from \$6.05 billion to \$6.66 billion (in 2003 dollars). Based on these costs, we estimate that redevelopment of the site through 2009 will generate an average of 4,800 to 5,280 full-time equivalent jobs each year for seven years in New York City.

Taking into account direct, indirect and induced impacts of Phase One construction, the total impact on New York City's economy through 2009 from construction at the site would include:

- A cumulative increase of \$8.19 to \$9.01 billion in total economic output; and
- An average of 8,350 to 9,180 full-time equivalent jobs each year for seven years.

Phase Two

Between 2010 and 2015, direct spending on redevelopment will range from \$3.98 to \$4.38 billion. This direct spending will generate between 4,150 and 4,560 full-time equivalent jobs annually in New York City for six years.

¹⁰ All dollar values used in this analysis are expressed in 2003 dollars.

Construction at the site would have the following direct, indirect, and induced impact on the City's economy between 2010 and 2015:

- A cumulative increase of \$5.83 to \$6.42 billion in total economic output; and
- An average of 7,070 to 7,770 full-time equivalent jobs each year for six years.

Table 4 summarizes the impact of construction on the World Trade Center site on New York City's economy in terms of output, employment, and employee compensation.

Table 4
New York City
Construction Impact

	Direct	Indirect and Induced	Total
Phase 1			
Minimum			
Output (\$B)	5.14	3.04	8.19
Employee Compensation (\$B)	1.94	1.20	3.14
Employment (annual FTEs)	4,804	3,543	8,347
Maximum			
Output (\$B)	5.66	3.35	9.01
Employee Compensation (\$B)	2.13	1.32	3.46
Employment (annual FTEs)	5,284	3,898	9,182
Phase 2			
Minimum			
Output (\$B)	3.68	2.16	5.83
Employee Compensation (\$B)	1.35	0.85	2.20
Employment (annual FTEs)	4,150	2,916	7,066
Maximum			
Output (\$B)	4.05	2.37	6.42
Employee Compensation (\$B)	1.48	0.94	2.42
Employment (annual FTEs)	4,566	3,209	7,775
Total			
Minimum			
Output (\$B)	8.82	5.20	14.02
Employee Compensation (\$B)	3.29	2.06	5.34
Employment (annual FTEs)	4,502	3,254	7,756
Maximum			
Output (\$B)	9.71	5.72	15.42
Employee Compensation (\$B)	3.61	2.26	5.88
Employment (annual FTEs)	4,953	3,580	8,532

Operations and Visitor Spending

In 2009

With the completion of Phase One of the reconstruction in 2009, we estimate that direct employment in commercial office buildings, retail space, and cultural facilities planned for the World Trade Center site will total approximately 13,050 full-time equivalent jobs. After taking into account the likelihood that some of these jobs would be relocating from elsewhere in New York City – or would substitute for new jobs that otherwise be created elsewhere in the City – we estimate that net new employment at the site will total 8,870

full-time equivalent jobs. These net new jobs will represent approximately \$2.20 billion in added economic output.

Combining direct, indirect and induced impacts, we estimate that in 2009 the total impact on the City's economy from new business and institutional operations at the World Trade Center site will include:

- A \$3.53 billion increase in annual economic output; and
- Approximately 18,500 continuing full-time equivalent jobs.

Based on LMDC's estimate that 9.0 million people will visit the site in 2009, we estimate that *incremental* off-site spending by these visitors will generate¹¹:

- A \$380 million increase in annual economic output in New York City; and
- Approximately 4,500 continuing full-time equivalent jobs.

Combining the impact of on-site operations and off-site visitor spending (and excluding the impact of construction), we estimate that the total impact of redevelopment on the City's economy in 2009 will include:

- *A \$3.91 billion increase in annual economic output, and*
- *Approximately 23,000 continuing full-time equivalent jobs.*

In 2015

With the completion of the redevelopment of the site in 2015, we estimate that commercial office, retail, cultural and hotel operations at the World Trade Center site will directly employ approximately 41,800 people on a full-time equivalent basis, roughly equivalent to the number of people who worked at the World Trade Center prior to September 11th. Of these, 31,900 will represent net new jobs. These net new jobs will represent approximately \$9.62 billion in added economic output in New York City.

Combining direct, indirect and induced impacts, we estimate that in 2015 new business and institutional operations at the site will have the following the total impact on the City's economy:

- A \$15.47 billion increase in annual economic output; and
- Approximately 74,200 continuing full-time equivalent jobs.

Based on LMDC's estimate that 5.5 million people will visit the site in 2015, we estimate that *incremental* off-site spending by these visitors will result in:

- A \$233 million increase in annual economic output in New York City; and

¹¹ We excluded from our impact calculations the spending of visitors who live in New York City as, by definition, they would be in New York City in the absence of the memorial.

- Approximately 2,740 continuing full-time equivalent jobs.

Combining the impacts of operations and visitor spending (and excluding the impact of construction), we estimate that in 2015 the redevelopment of the World Trade Center will generate:

- *A \$15.70 billion increase in annual economic output in New York City, and*
- *Approximately 76,950 continuing full-time equivalent jobs.*

The impact of operations and visitor spending on New York City's economy in terms of output, employment and employee compensation is summarized in Table 5.

Table 5
New York City
Operating and Visitors Impacts

	Direct	Indirect and Induced	Total
2009			
<u>Operations</u>			
Output (\$B)	2.20	1.33	3.53
Employee Compensation (\$B)	1.04	0.55	1.59
Employment (annual FTEs)	8,875	9,638	18,513
<u>Visitors</u>			
Output (\$B)	0.23	0.15	0.38
Employee Compensation (\$B)	0.10	0.06	0.16
Employment (annual FTEs)	3,299	1,203	4,502
<u>Total</u>			
Output (\$B)	2.44	1.48	3.91
Employee Compensation (\$B)	1.14	0.61	1.75
Employment (annual FTEs)	12,174	10,841	23,015
2015			
<u>Operations</u>			
Output (\$B)	9.62	5.84	15.47
Employee Compensation (\$B)	4.56	2.45	7.00
Employment (annual FTEs)	31,883	42,320	74,203
<u>Visitors</u>			
Output (\$B)	0.14	0.09	0.23
Employee Compensation (\$B)	0.06	0.03	0.10
Employment (annual FTEs)	2,008	735	2,743
<u>Total</u>			
Output (\$B)	9.76	5.94	15.70
Employee Compensation (\$B)	4.62	2.48	7.10
Employment (annual FTEs)	33,891	43,055	76,946

Impact on New York City Revenues

The economic activity generated by redevelopment of the World Trade Center site will yield increased tax revenues for New York City. Direct tax impacts will include income taxes paid by City residents employed in construction at the site or who work for the companies and institutions that locate there; business taxes paid by contractors involved

in the rebuilding process and by companies that locate at the site; sales taxes paid on retail transactions at the site; hotel taxes; and “payments in lieu of taxes” on the property, in accord with the agreement between New York City and the Port Authority of New York and New Jersey announced in October 2003.

Because the indirect and induced activity generated by construction, ongoing operations and visitor spending is spread widely across all sectors of the City’s economy, it will yield additional revenues in virtually every major category of City taxes, including income, sales, business and property taxes.

Taking into account direct, indirect and induced effects, we estimate that:

- Through 2009, construction activity will cumulatively generate between \$98 and \$108 million in City tax revenues.
- Construction activity between 2010 and 2015 will cumulatively generate between \$51 million and \$77 million in City tax revenues.
- In 2009, ongoing operations and visitor spending will generate \$120 million in City tax revenues.
- In 2015, ongoing operations and visitor spending will generate \$425 million in City tax revenues.

These impacts are detailed in Table 6.

Table 6
New York City
Tax Revenues

	New York City Tax Revenue (\$ millions)
Construction (cumulative impact)	
Phase 1 - Min	\$ 98
Phase 1 - Max	108
Phase 2 - Min	51
Phase 2 - Max	77
Operations (annual impact)	
Phase 1	120
Phase 2	425

Part Three:

Impact on New York State's Economy

To assess the impact of redevelopment of the World Trade Center site on New York State's economy – just as we did for New York City – Appleseed analyzed the direct, indirect and induced impact spending on construction during Phase One and Phase Two, and the impact of operations and visitor spending in 2009 and 2015. We also estimated the increase in state tax revenues that this increased economic activity would produce.

The impact of redevelopment on employment and output at the state level is greater than the impact on New York City, for several reasons.

- For purposes of this analysis, we assumed that 3.9 percent of all construction spending will occur in New York State communities outside the City; direct spending in New York State is thus greater than the direct spending that occurs within the City.
- In addition to buying goods and services from companies located in New York City, World Trade Center site contractors, tenant companies and their employees also buy goods and services from companies located elsewhere in New York State – an area with a population (approximately 19 million) and an economy more than double those of New York City.
- Some of the workers employed in rebuilding at the site, or subsequently employed by tenant companies, will live in New York State communities outside the City. They will spend a significant portion of their earnings within those communities – on housing, groceries, clothing, services such as dry cleaning and day care, entertainment, etc.

Construction

Total

Through 2015, LMDC estimates that the total cost of redeveloping the World Trade Center site will range from \$10.04 to \$11.04 billion. We estimate that this direct spending will annually generate between 4,770 and 5,170 full-time equivalent jobs in construction and related industries in New York State.

Taking into account direct, indirect and induced impacts, the total impact on New York State's economy through 2015 from construction at the site would include:

- *A cumulative increase of \$16.38 to \$18.02 billion in total economic output; and*
- *An average of 9,740 to 10,650 full-time equivalent jobs each year for 13 years..*

Phase One

We estimate that through 2009, direct spending on redevelopment of the World Trade Center site will generate an average of 5,170 to 5,690 full-time equivalent jobs in New York State each year for seven years. Through 2009, construction at the site would have

the following total impact (that is direct, indirect and induced impact combined) on New York State's economy:

- A cumulative increase of \$9.68 to \$10.65 billion in total economic output; and
- An average of 10,650 to 11,720 full-time equivalent jobs each year for seven years.

Phase Two

Between 2010 and 2015, direct spending on redevelopment will generate between 4,290 and 4,570 full-time equivalent jobs annually in New York State.

Taking into account direct, indirect and induced impacts, between 2010 and 2015, construction at the site would generate:

- A cumulative increase of \$6.69 to \$7.36 billion in New York State's economic output; and
- An average of 8,680 to 9,400 full-time equivalent jobs within the state each year for six years.

Table 7 summarizes the impact of construction on the World Trade Center site on output, employment and employee compensation in New York State.

**Table 7
New York State
Construction Impact**

	Direct	Indirect and Induced	Total
Phase 1			
Minimum			
Output (\$B)	5.46	4.22	9.68
Employee Compensation (\$B)	2.06	1.57	3.63
Employment (annual FTEs)	5,173	5,480	10,652
Maximum			
Output (\$B)	6.01	4.65	10.65
Employee Compensation (\$B)	2.27	1.73	3.99
Employment (annual FTEs)	5,687	6,028	11,716
Phase 2			
Minimum			
Output (\$B)	3.79	2.91	6.69
Employee Compensation (\$B)	1.39	1.08	2.46
Employment (annual FTEs)	4,291	4,386	8,677
Maximum			
Output (\$B)	4.17	3.20	7.36
Employee Compensation (\$B)	1.52	1.19	2.71
Employment (annual FTEs)	4,573	4,825	9,398
Total			
Minimum			
Output (\$B)	9.25	7.13	16.38
Employee Compensation (\$B)	3.44	2.65	6.09
Employment (annual FTEs)	4,766	4,975	9,741
Maximum			
Output (\$B)	10.17	7.84	18.02
Employee Compensation (\$B)	3.79	2.91	6.70
Employment (annual FTEs)	5,173	5,473	10,646

Operations and Visitor Spending

In 2009

Net new employment at the World Trade Center site in 2009, and the increased economic output directly associated with those jobs, will be the same for New York State as for New York City – 8,870 full-time equivalent jobs, and \$2.20 billion in added economic output.

We estimate that in 2009 the total impact on the State's economy from new business and institutional operations at the World Trade Center site (including direct, indirect and induced effects) will include:

- A \$3.69 billion increase in annual economic output; and
- Approximately 21,460 continuing full-time equivalent jobs.

Based on LMDC's estimate that 9 million people will visit the site in 2009, we estimate that *incremental* off-site spending by these visitors will generate¹²:

- A \$360 million increase in annual economic output in New York State; and
- Approximately 4,190 continuing full-time equivalent jobs.

Combining the impact of on-site businesses and institutions and off-site visitor spending (and excluding the impact of construction), we estimate that in 2009 redevelopment of the site will generate:

- *A \$4.05 billion increase in annual economic output, and*
- *Approximately 25,650 continuing full-time equivalent jobs within the state.*

In 2015

As in 2009, net new employment at the site and the associated direct output in 2015 will be the same at the State level as it is for New York City – 31,900 net new jobs and approximately \$9.62 billion in added economic output.

Combining direct, indirect and induced impacts, we estimate that in 2015 the total impact on the State's economy from new business and institutional operations at the World Trade Center site will include:

- A \$16.18 billion increase in annual economic output; and

¹² We excluded from our impact calculations the spending of visitors who live in New York State. We assumed that their visit-related spending does not constitute new economic activity. In other words, we conservatively assumed that they would spend the same amount within the State if they did not visit the memorial.

- Approximately 87,270 continuing full-time equivalent jobs.

Based on LMDC's estimate that 5.5 million people will visit the site in 2015, we estimate that incremental off-site spending by visitors will produce:

- A \$220 million increase in annual economic output in New York State; and
- Approximately 2,560 continuing full-time equivalent jobs.

Combining the impacts of operations and visitor spending (and excluding the impact of construction), we estimate that in 2015 the redevelopment of the World Trade Center will generate:

- A \$16.40 billion increase in annual economic output in New York State, and
- Approximately 89,820 continuing full-time equivalent jobs.

The impact of operations and visitor spending on New York State's economy is summarized in Table 8.

Table 8
New York State
Operating and Visitors Impact

	Direct	Indirect and Induced	Total
2009			
Operations			
Output (\$B)	2.20	1.49	3.69
Employee Compensation (\$B)	1.04	0.58	1.62
Employment (annual FTEs)	8,875	12,586	21,461
Visitors			
Output (\$B)	0.20	0.16	0.36
Employee Compensation (\$B)	0.09	0.06	0.14
Employment (annual FTEs)	2,771	1,419	4,190
Total			
Output (\$B)	2.40	1.65	4.05
Employee Compensation (\$B)	1.13	0.64	1.76
Employment (annual FTEs)	11,646	14,005	25,651
2015			
Operations			
Output (\$B)	9.62	6.56	16.18
Employee Compensation (\$B)	4.56	2.58	7.13
Employment (annual FTEs)	31,883	55,383	87,266
Visitors			
Output (\$B)	0.12	0.10	0.22
Employee Compensation (\$B)	0.05	0.03	0.09
Employment (annual FTEs)	1,690	867	2,557
Total			
Output (\$B)	9.74	6.66	16.40
Employee Compensation (\$B)	4.61	2.61	7.22
Employment (annual FTEs)	33,573	56,250	89,823

Impact on New York State Revenues

As it does for New York City, the economic activity generated by redevelopment of the World Trade Center site will yield increased tax revenues for New York State. Direct tax impacts will include income taxes paid by state residents employed in construction at the site or who work for the companies and institutions that locate there, business taxes paid by contractors involved in the rebuilding process and by companies that locate at the site, and sales taxes paid on retail transactions at the site. Indirect and induced activity generated by construction, ongoing operations and visitor spending will also yield income, sales, and business taxes.

Taking into account direct, indirect and induced effects, we estimate that:

- Construction activity through 2009 will cumulatively generate between \$155 and \$170 million in State tax revenues.
- Construction activity between 2010 and 2015 will cumulatively generate between \$106 million and \$116 million in State tax revenues.
- In 2009, ongoing operations and visitor spending will generate \$113 million in annual State tax revenues.
- In 2015, ongoing operations and visitor spending will generate \$460 million in annual State tax revenues.

These impacts are detailed in Table 9.

Table 9
New York State
Tax Revenues

	New York State Tax Revenue (\$ millions)
Construction (cumulative impact)	
Phase 1 - Min	\$ 155
Phase 1 - Max	170
Phase 2 - Min	106
Phase 2 - Max	116
Operations (annual impact)	
Phase 1	113
Phase 2	460

Part Four:

Impact on the Economy of the New York-New Jersey Region

The regional nature of the New York area economy means that residents of New Jersey, and businesses located there, will also share in the opportunities created, and the benefits generated by, redevelopment of the World Trade Center site. Some of the work required for rebuilding will be done off-site by New Jersey-based contractors. Some of those employed in on-site construction and ongoing operations will be New Jersey residents, and some of the indirect and induced effects of construction and operations will spill over into nearby New Jersey counties.

To capture these effects, we assessed the direct, indirect and induced impacts of construction, operations and visitor spending across the eighteen-county New York-New Jersey metropolitan area – a region with a population of approximately 17.4 million.¹³

Construction

Total

Through 2015, LMDC estimates that the total cost of redeveloping the World Trade Center site will range from \$10.04 to \$11.04 billion. We estimate that this direct spending will annually generate between 5,210 and 5,660 full-time equivalent jobs in construction and related industries in the New York-New Jersey region.

Through 2015, construction at the site would have the following total impact (including direct, indirect, and induced effects) on the New York-New Jersey region's economy:

- *A cumulative increase of \$17.62 to \$19.38 billion in total economic output; and*
- *An average of 10,090 to 11,030 full-time equivalent jobs each year for 13 years.*

Phase One

We estimate that through 2009, direct spending on redevelopment of the World Trade Center site will generate an average of 5,790 to 6,370 full-time equivalent jobs in the New York-New Jersey region each year for seven years.

Taking into account direct, indirect and induced impacts, the total impact on the region's economy through 2009 from construction at the site would include:

- A cumulative increase of \$10.65 to \$11.71 billion in total economic output; and
- An average of 11,290 to 12,420 full-time equivalent jobs each year for seven years.

¹³ For purposes of this analysis, we define the region as the five boroughs of New York City; Nassau, Suffolk, Westchester and Rockland counties in New York; and Bergen, Passaic, Hudson, Essex, Union, Middlesex, Monmouth, Morris and Somerset counties in New Jersey.

Phase Two

Between 2010 and 2015, direct spending on redevelopment will generate between 4,530 and 4,840 full-time equivalent jobs annually in the eighteen-county area.

Taking into account direct, indirect and induced impacts, the total impact on the New York-New Jersey region economy between 2010 and 2015 from construction at the site would include:

- A cumulative increase of \$6.97 to \$7.67 billion in total economic output; and
- An average of 8,690 to 9,410 full-time equivalent jobs each year for six years.

Table 10 summarizes the impact (in terms of output, employment and employee compensation) of construction on the World Trade Center site on the New York-New Jersey region's economy.

Table 10
NY-NJ Metro Area
Construction Impact

	Direct	Indirect and Induced	Total
Phase 1			
Minimum			
Output (\$B)	6.05	4.60	10.65
Employee Compensation (\$B)	2.29	1.76	4.05
Employment (annual FTEs)	5,789	5,504	11,294
Maximum			
Output (\$B)	6.66	5.06	11.71
Employee Compensation (\$B)	2.52	1.93	4.46
Employment (annual FTEs)	6,369	6,053	12,422
Phase 2			
Minimum			
Output (\$B)	3.99	2.99	6.97
Employee Compensation (\$B)	1.46	1.14	2.60
Employment (annual FTEs)	4,534	4,156	8,690
Maximum			
Output (\$B)	4.38	3.28	7.67
Employee Compensation (\$B)	2.50	1.25	3.75
Employment (annual FTEs)	4,838	4,571	9,410
Total			
Minimum			
Output (\$B)	10.04	7.58	17.62
Employee Compensation (\$B)	3.76	2.89	6.65
Employment (annual FTEs)	5,210	4,882	10,092
Maximum			
Output (\$B)	11.04	8.34	19.38
Employee Compensation (\$B)	5.02	3.18	8.21
Employment (annual FTEs)	5,662	5,369	11,031

Operations and Visitor Spending

In 2009

Net new employment at the World Trade Center site in 2009, and the increased economic output directly associated with those jobs, will be the same for the eighteen-county area as for New York City – 8,870 full-time equivalent jobs, and \$2.20 billion in added economic output.

In 2009 the total (including direct, indirect and induced) impact on the region's economy from new business and institutional operations at the World Trade Center site will include:

- A \$3.69 billion increase in annual economic output; and
- Approximately 20,350 continuing full-time equivalent jobs.

Based on LMDC's estimate that 9 million people will visit the site in 2009, we estimate that *incremental* off-site spending by these visitors will generate¹⁴:

- A \$360 million increase in annual economic output in the region; and
- Approximately 4,150 continuing full-time equivalent jobs.

Combining the impact of on-site operations and off-site visitor spending (and excluding the impact of construction), Appleseed estimates that the total impact of redevelopment on the region's economy in 2009 will generate:

- *A \$4.05 billion increase in annual economic output, and*
- *Approximately 24,510 continuing full-time equivalent jobs.*

In 2015

As in 2009, net new employment at the site and the associated direct output in 2015 will be the same for the New York – New Jersey Metro area as it is for New York City – 31,900 net new jobs and approximately \$9.62 billion in added economic output.

Combining direct, indirect and induced impacts, we estimate that in 2015 the total impact on the New York-New Jersey region's economy from new business and institutional operations at the World Trade Center site will include:

- A \$16.14 billion increase in annual economic output; and
- Approximately 82,300 continuing full-time equivalent jobs.

Based on LMDC's estimate that 5.5 million people will visit the site in 2015, we estimate that incremental off-site spending by these visitors will generate:

¹⁴ Spending of visitors who live in the NY-NJ metro area is excluded from this analysis.

- A \$220 million increase in annual economic output in New York State; and
- Approximately 2,530 continuing full-time equivalent jobs.

Combining the impacts of operations and visitor spending (and excluding the impact of construction), we estimate that in 2015 the redevelopment of the World Trade Center will result in:

- A \$16.36 billion increase in annual economic output in the region, and
- Approximately 84,820 continuing full-time equivalent jobs.

The impact of operations and visitor spending on New York-New Jersey region's economy is summarized in Table 11.

Table 11
NY-NJ Metro Area
Operating and Visitors Impacts

	Direct	Indirect and Induced	Total
2009			
<u>Operations</u>			
Output (\$B)	2.20	1.48	3.69
Employee Compensation (\$B)	1.04	0.59	1.63
Employment (annual FTEs)	8,875	11,479	20,354
<u>Visitors</u>			
Output (\$B)	0.20	0.16	0.36
Employee Compensation (\$B)	0.09	0.06	0.15
Employment (annual FTEs)	2,837	1,318	4,154
<u>Total</u>			
Output (\$B)	2.41	1.64	4.05
Employee Compensation (\$B)	1.13	0.65	1.78
Employment (annual FTEs)	11,712	12,797	24,508
2015			
<u>Operations</u>			
Output (\$B)	9.62	6.52	16.14
Employee Compensation (\$B)	4.56	2.62	7.18
Employment (annual FTEs)	31,883	50,410	82,293
<u>Visitors</u>			
Output (\$B)	0.12	0.10	0.22
Employee Compensation (\$B)	0.05	0.04	0.09
Employment (annual FTEs)	1,724	803	2,527
<u>Total</u>			
Output (\$B)	9.74	6.62	16.36
Employee Compensation (\$B)	4.61	2.66	7.27
Employment (annual FTEs)	33,607	51,213	84,820

Impact on State and Local Revenues

As it does for New York City, the economic activity generated by redevelopment of the World Trade Center site will yield increased state and local tax revenues throughout the eighteen-county New York-New Jersey region. Because these effects can be difficult to sort out across state lines, we will present here estimates of the aggregate, region-wide impact of redevelopment on state and local sales, income, and property tax revenues.

Taking into account direct, indirect and induced effects, we estimate that:

- Construction activity through 2009 will cumulatively generate between \$249 and \$273 million in state and local tax revenues.
- Construction activity between 2010 and 2015 will cumulatively generate between \$162 million and \$178 million in state and local tax revenues.
- In 2009, ongoing operations and visitor spending will generate \$212 million in annual state and local tax revenues.
- In 2015, ongoing operations and visitor spending will generate \$865 million in annual state and local tax revenues.

These impacts are detailed in Table 12.

Table 12
NY-NJ Metro Area
Tax Revenues

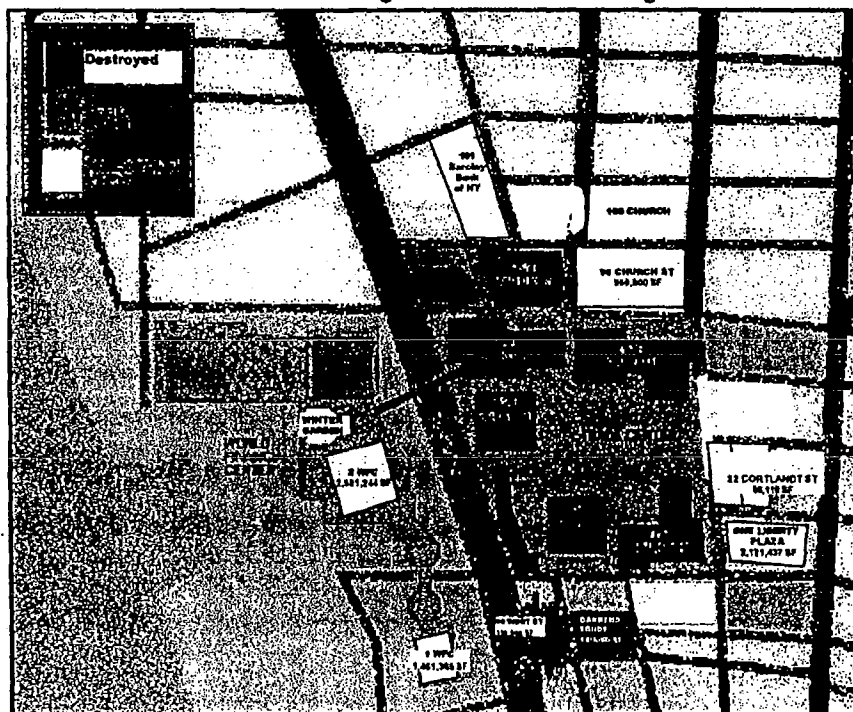
	State and Local Tax Revenue (\$ millions)
Construction (cumulative impact)	
Phase 1 - Min	\$ 249
Phase 1 - Max	273
Phase 2 - Min	162
Phase 2 - Max	178
Operations (annual impact)	
Phase 1	212
Phase 2	865

EXHIBIT 24

SUMMARY

The attack damaged or destroyed 29 million square feet of office space—8 % of all Manhattan office space, 14 % of Manhattan “Class A” space and 30% of all Lower Manhattan space.

Ground Zero Damage Falls Into Three Categories



69

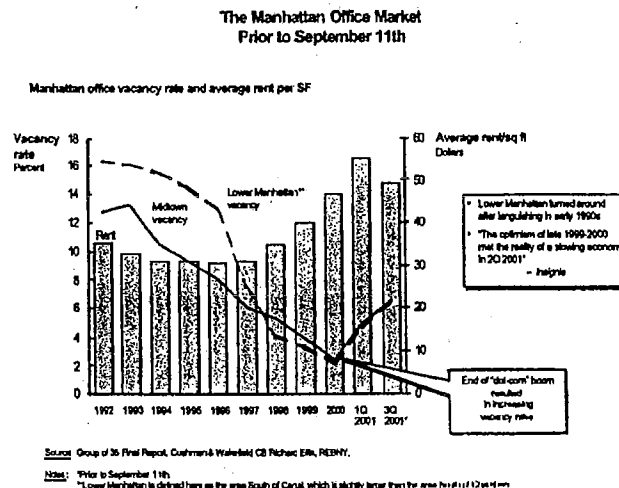
Larger than central Atlanta or Miami, this space housed more than 100,000 workers, enough to fill Madison Square Garden nearly five times.

- ❖ Half the office space (15.2 million square feet) was destroyed. The market value was \$4 billion and its replacement cost is \$6 billion.¹¹ Insurance proceeds will probably cover about 70% of the replacement cost.
- ❖ The other half was damaged: 10.1 million square feet suffered minor damage and can be reoccupied this year. Three and a half million square feet require at least a year's worth of repairs. Total repair costs may exceed \$2.2 billion.

Damage to retail and residential real estate was less severe. The attack destroyed half a million retail square feet, including the underground mall at the World Trade Center. However, this was a small part of the Manhattan retail market. Nearly all Battery Park City apartments and other Lower Manhattan residences are now habitable.

The attack accelerated deterioration in the Manhattan office market.

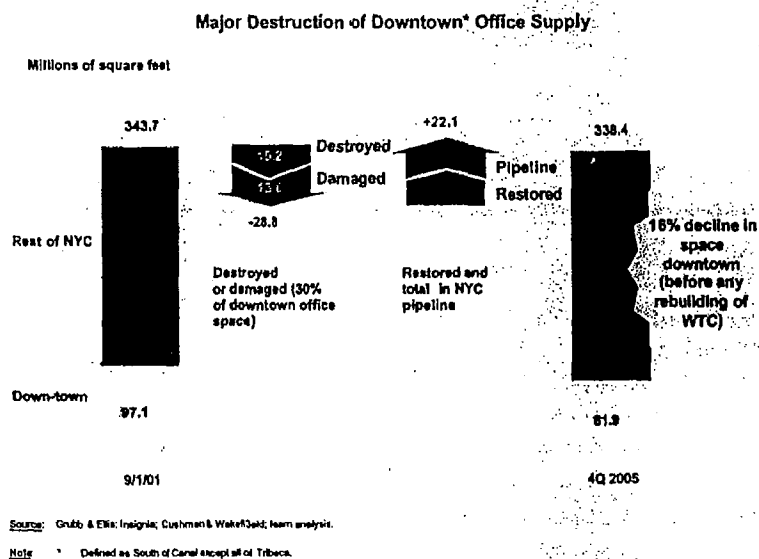
Manhattan's office market had begun softening prior to September 11th. Vacancy rates rose from 5% in May to 7% in August.¹² Rents, meanwhile, slipped by between 5% and 10%. Dot-com and financial firm woes drove this decline. Layoffs pushed unemployment from under 5% in July to 5.8% in August.



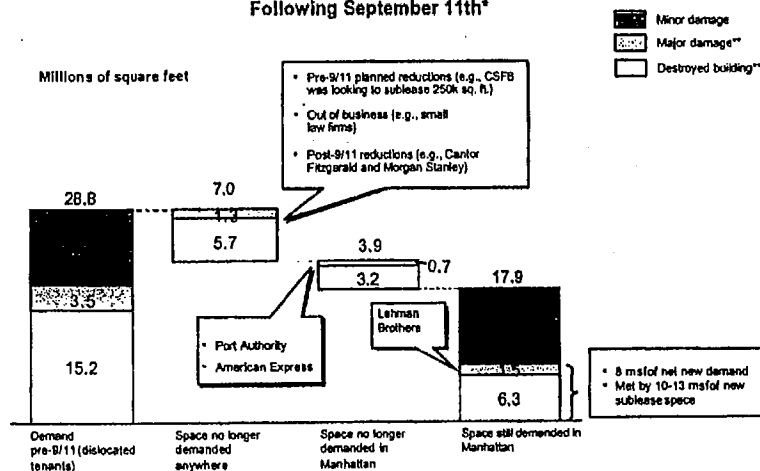
¹¹ Replacement cost estimates exclude excavation, infrastructure repair, and environmental costs, as well as internal finish, telecommunications, and technology.

¹² Leading commercial brokerages differ in what Manhattan office space they consider Class A. Newmark & Co. Real Estate, for instance, uses a total of 410 million square feet of Class A space in Manhattan; under this count, the vacancy rates would all be about 2 percentage points higher than the estimates used in this report.

Despite the supply destroyed on September 11th, office vacancy continued to rise from 7% (September 1st) to nearly 8% (September 30th), as demand fell faster than supply. Firms in destroyed or seriously damaged buildings sought less space than they lost, reflecting layoffs for some and business failure for others. Most displaced firms chose to remain in Manhattan, but about one-third took space outside New York City (representing about 4 million square feet). Meanwhile, preceding September 11th, a large inventory of excess space (10 million to 13 million square feet to date) became available for sublease from unaffected firms concerned about a worsening economy.



Dislocated Tenants' Demand for Manhattan Office Space Falls Following September 11th* ESTIMATE



Depending on the severity of the economic downturn, Manhattan office vacancy rates may rise to between 9% and 13 % by the end of next year. The worst rates since the early 1990s. Given the heady 80 % increase in commercial rents from 1997 to 2000, rent declines of between 10% and 15 % are likely. In a severe recession, rents could fall by as much as 25 %, as they did between 1989 and 1994.

The primary factor in the outlook for residential markets comes, not as a result of the attack, but in response to general economic conditions. The question for the residential market is demand, which is likely to remain strong. Some softening in rents will ease New York City's affordable housing crisis. A recent poll found that only 7 % of New York City residents said they were more likely to move away after September 11.¹³ Suburban developers and brokers confirm there is no residential exodus from New York City.

¹³ The poll, performed by Harris Interactive, asked NYC residents about their desire to move to other environments (urban, suburban, rural) after September 11. Thirty-two % said they were somewhat or much less likely to move, while 7 % said they were somewhat or much more likely to move.

Cleanup and reconstruction of infrastructure and damaged buildings will boost construction employment.

In 2002, site cleanup alone will require as many as 5,000 workers, pushing employment in heavy construction well above prior September 11th forecast levels. Combined with infrastructure rebuilding and the existing pipeline of private and public projects, the cleanup and likely rebuilding may create extraordinary demand for construction labor. With only 1,500 new workers each year joining the 100,000+ construction workers in New York City, the industry may have trouble supplying enough workers, first of heavy construction workers, and later in other construction trades. In contrast, the September 11th attack had minimal impact on employment in office and residential construction industries, although interior renovation work may decline as tenants sublease "as is" space.

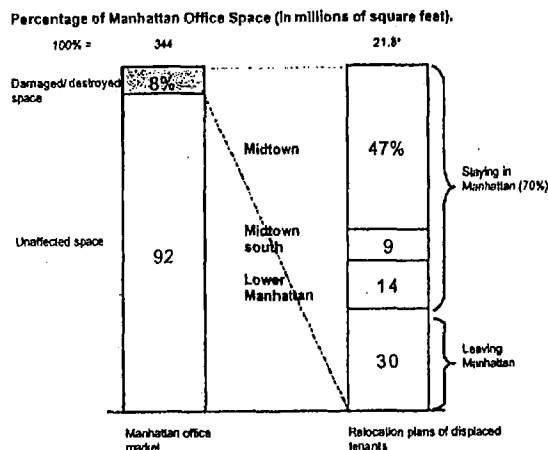
TENANT RELOCATIONS IN AND OUT OF THE CITY

The attack did not jeopardize Manhattan's future as an office center

Dislocated and unaffected businesses, both tenants and owners, are generally seeking to stay in Manhattan. After September 11, higher suburban vacancy rates and readily available large, contiguous floors pulled a few dislocated tenants away. Most (70 %) relocated to Midtown, citing Manhattan's access to the rich talent pool in the tristate region and proximity to clients and related businesses.

The Attack Did Not Jeopardize Manhattan's Future as an Office Center

ESTIMATE



Source: Cushman and Wakefield, interviews, McKinsey analysis.

Notes: *Excludes space destroyed or seriously damaged that is no longer demanded.

- Less than 1/3 of displaced tenants are leaving Manhattan
- Many who left wanted to stay but could not find large continuous floorplates

Moreover, expensive long-term leases and ownership of their premises tend to bind businesses for the short term.

The picture over the next few years is hazier. Manhattan remains high cost and high tax. Finding large contiguous floors can be difficult. Some firms such as Stamford and New York-based UBS Warburg, were already moving away from urban campuses. After September 11, new desires for diversification will encourage the dispersal of people, telecommunications and technology. Without a redevelopment plan that provides sufficient alternative systems and networks for the energy and telecommunications infrastructures, it is possible that over time many major firms previously satisfied with Manhattan may shift a portion of their operations outside of Manhattan.

Dislocated tenants that are leaving are going to the New Jersey waterfront, not Brooklyn and Queens

Approximately 75% of dislocated firms that have left Manhattan have selected the New Jersey waterfront – "New York's Sixth Borough." The remainder went mostly to Connecticut, Westchester and Long Island. So far, only one major dislocated firm (Empire Blue Cross/Blue Shield) plans to relocate in another New York City borough, and it is tied to New York State.

One obvious reason firms chose New Jersey was the immediate availability of usable office space at rents of \$40 per square foot with tax incentives and various direct subsidies.

Unfortunately, no such stock existed in Brooklyn and Queens. New Jersey was also the site of existing back up facilities and is home to many executives and their employees.

CHALLENGES IN REVITALIZING LOWER MANHATTAN

Vacancy rates could rise in Lower Manhattan

The World Trade Center was in part a government-driven remedy for Lower Manhattan's stagnation in the 1950s and 1960s. The completion of the Trade Center coincided with New York's troubles in the early 1970s. The World Trade Center flooded the market with new space and drove down rents for almost a decade before it was fully leased. The boom of the 1980s brought revival, but that revival was cut short by the 1987 stock market crash. By the mid-1990s, almost a quarter of Lower Manhattan office space was empty.

Once again, Lower Manhattan rebounded with the 1990s boom. Dot-com companies joined financial firms to push Lower Manhattan's Class A vacancy rates down to 4.4 %, below Midtown's for the first time in thirty years. Thus, Lower Manhattan was no longer just office space. Battery Park City opened, followed by ten hotels and thirteen museums. Tax incentives spurred conversion of obsolete commercial properties to residences. A growing residential population, (more than 20,000 residents) had begun turning the neighborhood into a vibrant 24/7 community.

The events of September 11th abruptly suspended the Lower Manhattan renaissance, particularly in the area adjacent to Ground Zero, south of Chambers Street and west of Broadway. For now, painful memories, odor, asbestos fears, and limited amenities make many office workers and residents reluctant to return. Once these problems recede, there will be others such as five to seven years of rebuilding and the difficulty of getting to, from and around the area.

For now, Lower Manhattan's commercial outlook is poor. Large financial firms in both damaged and unaffected buildings are trying to sublease an additional 6 % of total Lower Manhattan stock. Like the rest of the island, the Lower Manhattan market is cushioned by long-term leases, but keeping tenants may be difficult as these leases expire. If rebuilding is highly disruptive, the 2006 vacancy rate in Lower Manhattan could reach 20%, as it did in the early 1990s. In more human terms, Lower Manhattan could lose an estimated 28,000 jobs and \$5 billion in cumulative economic output through 2006, above the direct impact of September 11th.

The residential market adjacent to sixteen-acre Ground Zero is experiencing considerable short-term losses, especially anywhere within view of the site. As of late October, only one-third of Battery Park City residents allowed to return to their apartments had actually done so. Even under an optimistic scenario, Battery Park City vacancies will rise and rents will fall. The more deeply rooted and further removed Tribeca neighborhood, and the residential areas east of Broadway should be less adversely affected.

Lower Manhattan rents are too low to spur private rebuilding of high rise office space

A strong market, vacant tracts of land and aggressive New York City development subsidies stimulated construction of only one office building in Lower Manhattan during the 1990s. The underlying reason: rents are too low to cover development costs. Rents for a new Class A building in Lower Manhattan would be calculated today at no more than \$50 per square foot, approximately \$22 (30 %) too low to entice private developers to invest, and a developer would still need anchor tenants.

Insurance proceeds would significantly reduce required rental rates for the replacement in kind of buildings destroyed on September 11. For other new construction, government subsidies will be required to attract private developers to Lower Manhattan. The City often steps in to stimulate new construction and attract or retain taxpaying firms; tenant and/or developer subsidies underlie all but one of 10 office buildings now under construction in Manhattan. During the next few years, however, neither the city nor state will have the resources required to provide much in the way of local subsidy. The redevelopment of Ground Zero should be a matter of national resolve.

Government resources must also focus on building the transportation, power and telecommunications infrastructure that is required to attract private development in response to post-recession demands.

RECOMMENDATIONS

Focus government resources on Lower Manhattan.

The damage, as well as short-term and long-term economic impact of September 11th, is concentrated in Lower Manhattan, albeit with ramifications throughout the city and state economy. The extent of the damage makes federal assistance essential to economic recovery and rebuilding. Timing is also critical. Delay will result in significantly higher costs and lost opportunities to capture the positive momentum and the determination, shared by business and the general public to rebound from this terrorist assault on America and prove that such attacks will not be allowed to undermine the nation's financial center.

Concentrate first on retaining businesses and residents.

It will be much cheaper and easier to retain existing commercial and residential tenants than to attract new tenants.

To restore the Lower Manhattan environment to a level of functioning that is close to normal, the city, state and federal governments should work with the private sector to:

- *Create transport and utilities "fixes."* Essential elements will include water taxis to and from New Jersey, Queens and Brooklyn, express buses within Lower Manhattan and between Lower Manhattan and Midtown, the planned bridge at Rector Street and temporary telecom equipment (e.g., cell towers).
- *Maintain rapid pace of cleanup.* To bolster the confidence of Lower Manhattan residents and workers, cleanup should be expedited (e.g., provide early completion bonuses to contractors). The areas adjacent to Ground Zero should be returned to an acceptable level of access and service first (e.g., clearing West Street to improve access to the World Financial Center).
- *Mitigate disruption from cleanup and then rebuilding.* Simple "best practices" from other major construction projects include limiting air and noise pollution, using clear signs, communicating progress and schedules, keeping transport and traffic moving, and ensuring rapid and effective response to complaints.
- *Certify that Lower Manhattan is safe from health risks.* Steps to minimize asbestosis and other health risks, real or perceived, should continue to be undertaken and communicated. City health officials should systematically inspect and declare safe each area they treat until Lower Manhattan is wholly clear.

In parallel, there should be a concerted effort to obtain **public commitments from major Lower Manhattan firms to stay** (both dislocated and unaffected). These firms should promise to retain, not just their headquarters, but the vast bulk of their prior to September 11th activities in New York City, and, if possible, in Lower Manhattan. Federal aid or incentives should only be available to those firms that make a long-term (5+year) commitment to maintain jobs in New York City and, wherever feasible, in Lower Manhattan.

Finally, the most affected area of Lower Manhattan should be designated as a **tax-favored zone** to retain and attract business. The zone should complement federal and state programs. Based on what tenants, brokers, urban planners and developers say, the top-priority zone should be the directly affected area (south of Chambers, west of Broadway). Since firms and residents in less affected eastern Lower Manhattan are also showing signs of exit, a second zone, with half the incentives, could be created for south of Chambers, east of Broadway.

The specifics of the public incentive package should include:

- *Offer per-employee tax credits.* A program similar to the Relocation Employee Allowance Program (REAP) that offers incentives for relocation to the other boroughs should be implemented in the target area. REAP provides \$3,000

per employee annually for tenants (including nonprofits) that: a) sign new or renew long-term leases or b) return to a seriously damaged building. If every tenant in a surviving building took up the offer, the maximum cost west of Broadway would be approximately \$400 million a year. The amount could be capped per firm and limited to 10 years.

- *Provide a rent or mortgage subsidy for residents.* Tax credits of \$2,500 a year per household, for residents who remain in or move to the district in the next two years, would help stabilize the area and provide some compensation for the disruption and trauma that residents experienced. The cost would be under \$20 million a year for the 7,000 households living in the high impact area.
- *Eliminate commercial rent tax.* Paying tax on already high rents irritates business tenants. New York City is the only city in the nation to levy such a tax. The revenue loss would be an estimated \$65 million to \$75 million a year for the entire region South of Chambers, and about half that if elimination of the tax were limited to west of Broadway.

In all cases, businesses and residents would have to commit to staying long-term. Any business or resident violating the terms of the aid would be required to reimburse New York City for early departure.

GET THE RECONSTRUCTION AUTHORITY UP AND RUNNING AS SOON AS POSSIBLE

On November 3rd, Mayor Giuliani and Governor Pataki announced jointly their support for a city-state authority, the Lower Manhattan Redevelopment Corporation. This announcement is a welcome step in the efforts to organize the redevelopment of Ground Zero. Now that Mayor-elect Bloomberg is in place, swift action to get the authority up and running should follow.

A New York State Authority is the right choice

Redevelopment will require orchestrating a project as large as any before in America – constructing new buildings and world-class infrastructure (e.g., roads, subways, utilities, telecommunications) across multiple private and public properties, all with the nation's attention upon it. The Mayor's and the Governor's choice of a New York State authority is the right one.

The Governor and Mayor aim to form the corporation as a subsidiary of the Empire State Development Corporation (like the 42nd Street Authority). To ensure its success, this authority must be:

- ❖ Able to wield full land-use powers (condemnation, zoning, and permitting) over an area not smaller than west of Broadway, south of Chambers.
- ❖ Chaired by a leader with extensive business experience and federal, state, and city ties.
- ❖ Supported by best-in-class urban planning and project management expertise.
- ❖ Limited in lifespan, probably ten to fifteen years.

The Port Authority of New York and New Jersey owns much of the affected land. To ensure that the project proceeds with no conflicts of interest and with an adequate budget, the Governor of New Jersey should agree to ceding the land to the new New York State authority, with appropriate compensation to the Port Authority.

- **Confirm a rebuilding process by the end of 2001 to galvanize public confidence in Lower Manhattan.** Once the authority has been created, it must lay out its decision-making plan over the next year and beyond, including opportunities for advice from the community and other stakeholders, as well as deadlines for key decisions.
- **Complete a master rebuilding plan by mid-2002.** Once in place, the authority must formulate a master plan for reconstruction. Several outlines have already begun to appear, ranging from multiple office towers to a mix of residential, commercial and cultural uses. An appropriate memorial to the victims of the attack must be a key element of any plan, and this idea has received virtually universal support in New York City, across the nation and abroad. To minimize the time that the land lies fallow, the authority should complete a clear master plan before the cleanup is completed. The earlier that the authority completes its plan, the faster it will dispel uncertainty, encourage private investment and rekindle Lower Manhattan's recovery.

DEVELOP VISIONARY RENEWAL PLAN

During the two months following the disaster, attention and resources have been appropriately focused on rescue, cleanup and debris removal. The time has now come to turn attention to a visionary plan for renewal of the community. In order to affirm the resilience and strength of America and New York City, it is essential that Lower Manhattan come back stronger than ever. Prior to September 11th, Lower Manhattan was the nation's third largest business district (following Midtown and Chicago). Lower Manhattan's redevelopment should focus not simply on restoring this status. Redevelopment should also capitalize on the opportunity to transform this region of the city into a center of international commerce and culture.

While a public process is required to develop consensus around the design principals that will guide rebuilding of a site that now "belongs" to all New Yorkers and all Americans, this process should be collapsed into a tight time frame. The beginning of renewal, however, does not have to await the development of plans for the Twin Towers site. Immediate steps can be taken to encourage the renovation and reuse of the damaged buildings at the World Financial Center, on Liberty Street and West Broadway. Moreover, the corporate owners of these buildings should be solicited to become partners in recruiting new tenants for these properties and helping to plan and finance the amenities that will be required to support them.

Silverstein Properties, which controls the leases on the World Trade Center properties, has also indicated the willingness and ability to move quickly to use insurance proceeds to rebuild the 2 million square feet of office space destroyed at 7 World Trade Center, where no lives were lost. Silverstein Properties envisions a redesign of the building that would conform to the local street grid and accommodate the enhancement of the overall site, roadways and other infrastructure. The sooner this site moves to construction, the more insurance proceeds will be available to fund new development, as opposed to carrying costs of the vacant site.

There are many anchor companies and institutions in Lower Manhattan that can and should be enlisted in concerted public-private renewal efforts. These range from the New York Stock Exchange, the Federal Reserve Bank of New York, Goldman Sachs and AIG to the City University of New York/Borough of Manhattan Community College, NYU Beekman Downtown Hospital and Pace University. All are stakeholders and have resources to bring to bear on a successful redevelopment program. The Alliance for Downtown New York and the Lower Manhattan Development Association have taken the lead in organizing the downtown community and undoubtedly play a key role in reconstruction efforts.

LISTEN TO THE MARKET, THEN DECIDE WHAT AND HOW MUCH TO BUILD

Public investment should focus on building a twenty first century infrastructure for Ground Zero and the rest of Lower Manhattan. This will, in turn, leverage maximum private investment for the commercial and residential projects that end up on the reconstruction agenda.

Presumably, the reconstruction authority will work with private developers to carry out the entire renewal plan. Private firms that put up capital, and share risk with the government, will help ensure accountability, sensible planning and efficient construction. The Port Authority, in fact, sold the ground lease for the World Trade Center for similar reasons. There will be a need, however, for public subsidies in the form of tax credits and financing aid to accomplish rebuilding. For tax credits, a combination of tenant subsidies (such as those in Recommendation II) and the City's Industrial and Commercial Incentive Program (temporary exemptions from real estate taxes) would help close the gap. The availability of federal tax-exempt financing is another key component for renovation and reconstruction.

The purpose of government subsidies, tax or financing, is to catalyze private capital where investment returns appear low. It is possible that demand may prove much greater than anticipated. The government would be prudent to take equity options in the subsidized projects.

Bringing private firms as co-investors in the project and giving them the right incentives would ensure they listen to the market. But even if the government builds as the sole owner, policymakers should take proven demand into account when redeveloping for-profit space (i.e., hotels, apartments, offices). Unwanted construction would not only waste taxpayer money, but also depress market prices and therefore private incentives to build and invest elsewhere.

Policymakers should follow the private sector's "best practices" on ensuring proven demand for for-profit space before starting construction (e.g., pre-lease 50 % of an office tower, stagger construction as demand presents itself, and monitor vacancy rates and the availability of large contiguous floorplates in Manhattan). If planners listen to the market, the most likely outcome is a mix of uses: office, hotel, residential, and retail, while reserving space for a memorial.

EXHIBIT 25 (Part 1 of 3)

ATKEARNEY

EDSSR 000543

Rebuilding The WTC

Economic Impact Analysis

Discussion Document

January 21, 2002

ATKEARNEY

EDSSR 000544

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|---|

EDSSR 000545

Executive Summary

Timely rebuilding of the WTC is critical to the restoration of a thriving Downtown community. In turn, a vibrant Downtown is essential for restoring the economic health of the City of New York as a whole

- Projected demand over the next decade will be sufficient to absorb the anticipated capacity of new Class A office space in Downtown. Rebuilding the WTC should align market prices with pre-2000 levels and enhance Downtown's attractiveness to employers
- The economic impact of rebuilding the WTC extends across numerous sectors of the Downtown economy and is essential to Downtown's vitality and economic health. The City, as a whole, will benefit as well
 - Rebuilding is estimated to have an incremental impact on the Gross City Product (GCP) between 2002-2011 of
 - \$ 65 Billion to Downtown GCP
 - \$ 14 Billion to New York City GCP
 - Rebuilding would also affect incremental job creation between 2002 and 2011, generating
 - 74,000 direct jobs Downtown
 - 28,000 direct and indirect jobs in the rest of the City
- Delaying the rebuild effort would impede the Downtown recovery, potentially spurring the exodus of businesses and residents from Downtown and limiting the contribution to the City's Gross City Product (GCP). It will be important for government and private constituents to work together to quickly restore Downtown's economic health

EDSSR 000546

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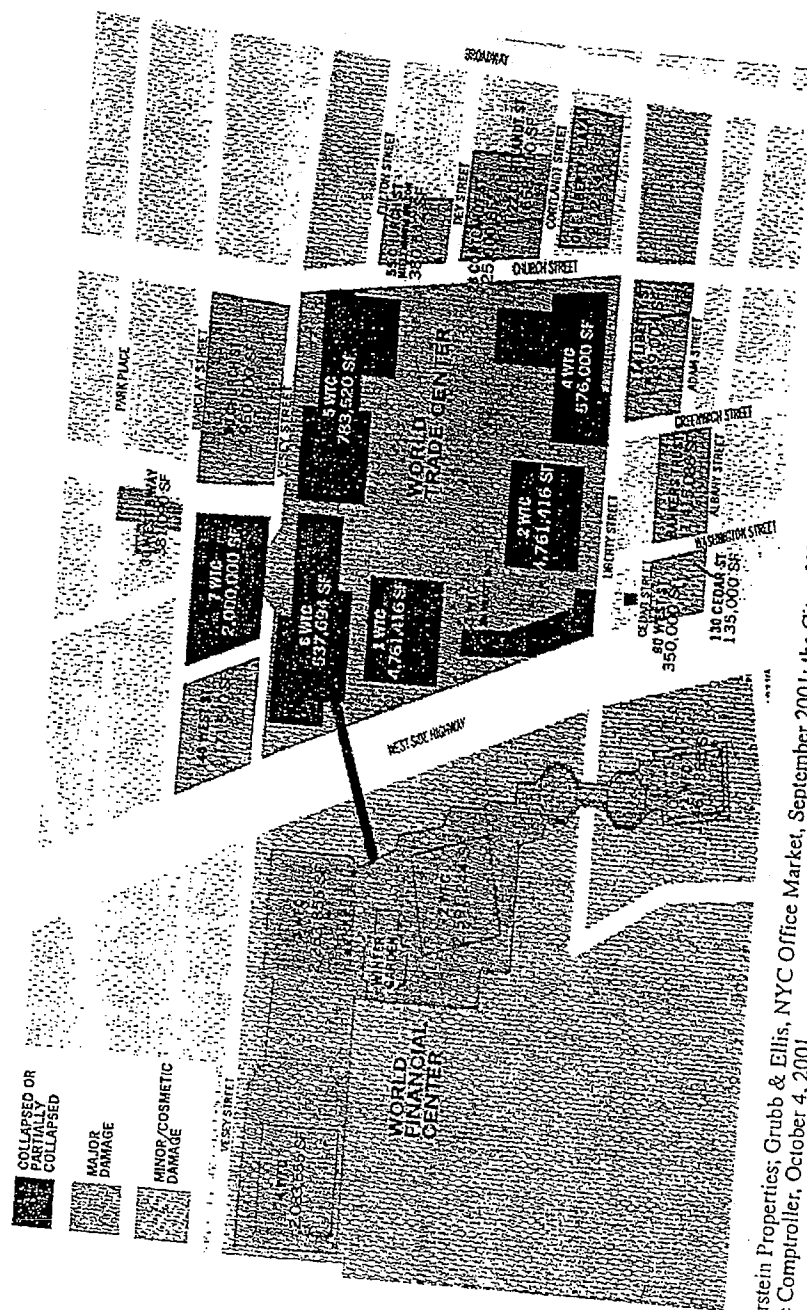
- Executive Summary
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- Economic Impact of Rebuilding the World Trade Center
- Costs of Building Delays and Suggested Next Steps
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EDSSR 000547

Background and Assumptions

Before September 11, the WTC complex comprised 7 buildings (1- 7 WTC except 3 WTC), with over 13.4 million square feet of Class A space. It represented 5 percent of the Class A office space in Manhattan, and approximately 21 percent of Class A in Downtown. The WTC housed a diverse mix of approximately 300 domestic and international companies, trade relations offices, state and local government offices, and an underground shopping mall.

Pre Sept 11 WTC Profile



Source:

Silverstein Properties; Grubb & Ellis, NYC Office Market, September 2001; the City of New York, Department of City Planning, Office of the Comptroller, October 4, 2001

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Determining how best to proceed, Silverstein Properties engaged A.T. Kearney to determine the economic impact of rebuilding the World Trade Center for several constituencies, including Downtown and New York City

Project Objective and Key Activities

Objective
<ul style="list-style-type: none"> Assess the economic impact of rebuilding the World Trade Center for several constituencies over both the near term and longer term, including <ul style="list-style-type: none"> Downtown community New York City

Key Activities
<ul style="list-style-type: none"> Analyzed the implications of New York City commercial property trends, particularly related to the effect of rebuilding on vacancy and market prices Developed a robust model to assess the economic impact of rebuilding the WTC site <ul style="list-style-type: none"> Spend Job creation – direct and indirect Incremental Gross City Product (GCP - economic stimulus multiplier) Assessed economic impact of several rebuilding options <ul style="list-style-type: none"> Staged rebuilding (multi-year staged approach) Rebuilding over a longer term No rebuilding⁽¹⁾ Conducted in-depth primary research, leveraging several public and private sources Validated findings and analysis through interviews with a list of targeted companies including <ul style="list-style-type: none"> Industry specialists (e.g., Cushman & Wakefield, Insignia, Bovis Lend Lease) Key public constituencies (e.g., New York Independent Budget Office, Alliance for Downtown, NYC & Co., Construction Industry Institute)

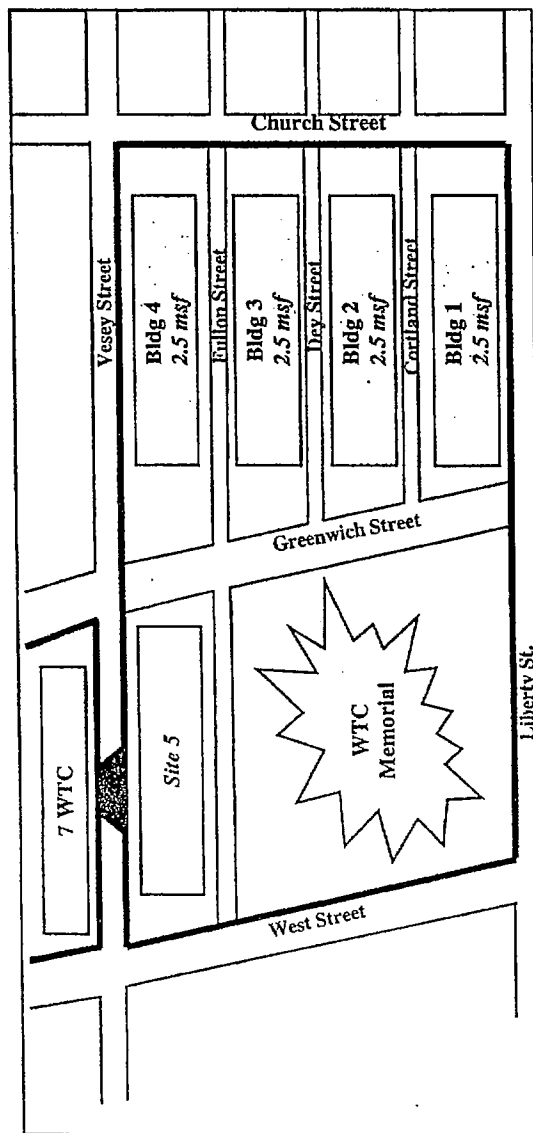
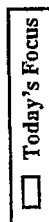
Note: (1) Defined as rebuilding a memorial without office towers

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The team's analyses were based on a staged rebuilding that would replace the original World Trade Center square footage in four separate buildings over the next nine years

Rebuilding Scope



Description
Buildings 1 thru 4 <ul style="list-style-type: none"> • 5 levels of underground subgrade space, including parking, operations, and leasable space • 4 towers, 50 stories each at 50,000 square feet per floor, 250' long by 200' wide • 2 retail levels 7 WTC <ul style="list-style-type: none"> • 1 tower - 47 story office building

Mix of Use
Office <ul style="list-style-type: none"> • Buildings 1-4 2.5 million sq. ft. each • 7 World Trade Center 2.0 million sq. ft. Retail <ul style="list-style-type: none"> • Retail mix 0.45 million sq. ft.

Source: Silverstein Properties; Bovis Lend Lease

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The staged plan is for WTC 7 to become available for occupancy in mid-2005, with Buildings 1-4 completed and ready for occupancy between 2007 and 2010. This approach would ensure adequate demand for this new supply of world-class space

Timing of Rebuilding

	2002	2003	2004	2005	2006	2007	2008	2009	2010
WTC Receive Land (FEMA Clean Up)	6/02	12/03							
Foundation (Bring Site Up To Grade)		6/03			3/06				
Construction Building 1			6/04			1/07			
Construction Building 2					6/05		1/08		
Construction Building 3								1/09	
Construction Building 4							6/07		1/10
WTC 1-4 Cumulative Square Feet Occupied (millions)						1.0	3.0	5.5	8.0
WTC Total Completed Square Feet (millions)						2.5	5.0	7.5	10.0
WTC 7 Receive Land (FEMA Clean Up)	3/02								
Con EA Planning (Site Up To Grade)		3/03							
Construction			3/03	10/05					
WTC 7 Cumulative Square Feet Occupied (millions)					1.0	2.0			
WTC 7 Total Completed Square Feet (millions)					2.0	2.0			
Cumulative Square Feet Occupied (Bldgs 1-4 and 7)					1.0	2.0	5.0	7.5	10.0
Total Completed (Bldg 1-4 and 7) msf					2.0	2.0	7.0	9.5	12.0

Notes: Assumes Pre-leasing of 40% in WTC 1-4 and 50% in WTC 7 and 0.25 msf each quarter in each building once buildings are completed

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EDSSR 000552

Assessment of the NYC Commercial Property Market and Implications



New office space is required Downtown to maintain the city's vibrancy and attractiveness to employers over the longer term

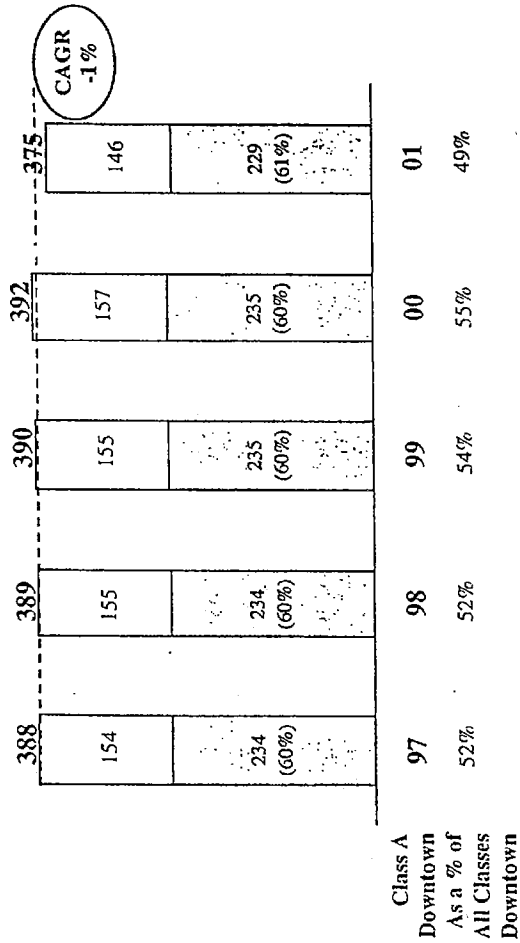
- There has been little growth in Class A office space in Manhattan and new supply coming on-line is projected to be quite limited
- Projected demand over the next decade will be sufficient to absorb, on a timely basis, the anticipated capacity of the proposed WTC
 - New WTC space will represent an average of less than ten percent of total market demand
 - Despite gloomy forecasts, we believe vacancy rates for Class A space in Downtown will range between 6 and 10 percent over the period from 2005 to 2010
 - Though market rents for Downtown space are expected to soften to pre-2000 levels for the foreseeable future, premier buildings typically capture a 10 – 20 percent premium. As a consequence, rental prices for the new WTC are expected between \$38 and \$45 per square foot in 2005. A broader range of rental prices are possible by the end of the decade, depending on the pace of economic recovery
- After years of above average increases in office space rental prices, a return to pre-2000 levels will bring both Downtown and Manhattan more in line with other metropolitan areas – hopefully, stemming, to a degree, the exodus to New Jersey and Connecticut

EDSSR 000553

Manhattan inventory of commercial space, primarily Class A space, grew modestly over the last several years. However, due largely to the events of September 11th, over sixteen million square feet of space in NYC has been lost

**Total Market Inventory in Manhattan
1995-2001
(Million Square Feet)**

	Class B&C Space
	Class A Space



Notes: (1) As of November 2001

(2) Includes 1 WTC (3.9msf), 2 WTC (3.9msf), 4 WTC (0.6msf), 5 WTC (0.8msf), 6 WTC (0.6msf) and 7 WTC (1.8msf)

(3) Includes 1 WFC (1.5msf), 3 WFC (2.3msf), 2 WFC (2.2msf), 130 Liberty (1.4msf), 90 West (0.3msf), 30 W. Broadway (0.4msf), 101 Barclay St. (1.1msf) and 22 Cortland St. (0.6msf)

(4) Includes 575 Broadway 1Q '01 (0.08msf), 3 Times Square 3Q '01 (0.8msf) and 1 Rockefeller Plaza West 3Q '01 (1.0msf)

(5) Multiple buildings throughout New York City

Sources: Cushman & Wakefield; A.T. Kearney analysis

Inventory Changes (2001 v. 2000)	
• Total square footage destroyed ⁽²⁾ due to 9/11 attack	(11.7) million
• Total square footage severely damaged ⁽³⁾ due to 9/11 attack	(9.7) million
• Construction completions ⁽⁴⁾	1.9 million
• Other buildings added ⁽⁵⁾	4.9 million
• Sq. ft. adjustments ⁽⁵⁾	(0.9) million
• Buildings destroyed/converted ⁽⁵⁾	(1.0) million
	(16.6) million

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[illegible]

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[illegible]

Nov. 01 - Inventory Reconciliation

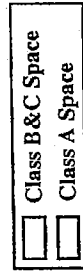
Manhattan	2000 Inventory 392.4	Buildings Deleted -1.0	Sf Adjustments -0.9	Buildings Added 4.9	Total Adjustment 3.0
Manhattan	2Q Inventory 395.4	Construction Completions 1.9	WTC Buildings Removed -11.7	WTC Renovated -9.8	New Inventory 375.8

Date: Nov-01
Source: Cushman & Wakefield

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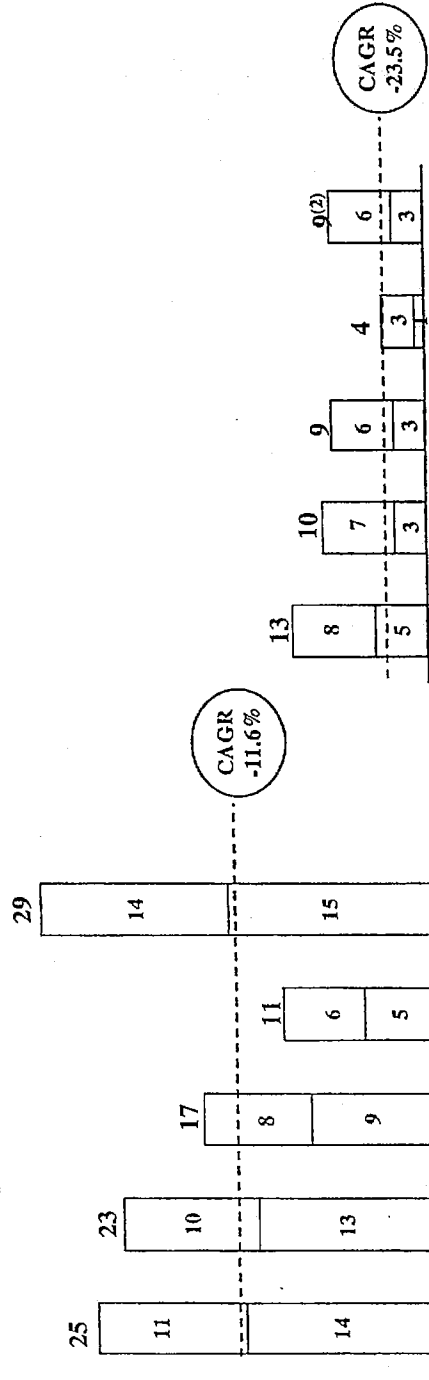
Despite a soft economy and an increase in vacancies, only a limited amount of Class A space is available

Total Vacant Space in Manhattan 1995-2001⁽¹⁾ (Million Square Feet)



Midtown⁽³⁾

Downtown



Vacancy
For All
Classes

97	98	99	00	01 ⁽¹⁾	
8.8%	8.0%	5.8%	3.8%	8.1%	
8.0%	7.1%	5.2%	2.9%	7.0%	10.0%
					3.7%
					8.9%
					9.5%
					12.5%
					8.8%
					5.2%
					4.6%
					1.7%
					7.0%

Note:

- (1) As of November 2001
 (2) Does not include 3.4 million sq. ft. identified by Brookfield Properties as potential new available supply in Downtown. This 3.4 million sq. ft. includes Deutsche Bank (1.0msf), Lehman Brothers (1.8msf), Dow Jones (0.2msf) and Merrill Lynch (0.4msf)
 (3) Including Midtown and Midtown South
 Cushman & Wakefield; A.T. Kearney analysis

Source: A.T. Kearney 17/19329-cj 12

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[illegible]

Vacancies
DT class A

DT class A

Dr. class B.

D'T clear C

Name	Occupation	2000-2025																												
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Average (2000-2025)	Range (2000-2025)	
John Doe	Software Engineer	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	162.5	120-230
Jane Smith	Marketing Specialist	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	142.5	80-210
Michael Johnson	Product Manager	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	245	250	182.5	120-250
Sarah Williams	UX Designer	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	157.5	90-220
David Brown	Business Development	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	137.5	70-200
Emily Davis	Operations Manager	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	172.5	110-240
Robert Miller	Systems Administrator	60	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	127.5	60-190
Lisa Anderson	Human Resources	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	147.5	85-215
James Wilson	Finance Analyst	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	142.5	75-205
Amanda Taylor	Project Coordinator	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	167.5	95-225
Christopher Lee	Quality Assurance	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	127.5	65-195
Nicole White	Customer Support	50	55	60	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	112.5	50-180
Kevin Harris	IT Support	40	45	50	55	60	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	102.5	40-170
Michelle King	Administrative Assistant	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	92.5	30-160
Gregory Scott	Sales Representative	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	245	250	255	260	192.5	130-260
Stephanie Adams	Public Relations	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	172.5	105-235
Brandon Hall	Operations Supervisor	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	142.5	80-210
Heather Green	Marketing Coordinator	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	137.5	70-200
Timothy Baker	Software Tester	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	157.5	90-220
Rebecca Nelson	Business Analyst	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	172.5	110-240
Jonathan Phillips	Systems Engineer	60	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	127.5	60-190
Christina Evans	Human Resources Manager	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	245	250	182.5	120-250
Benjamin Roberts	Finance Manager	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	162.5	100-230
Samantha Turner	Operations Director	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	245	250	255	260	265	270	202.5	140-270
Eric Young	Marketing Director	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	245	250	182.5	120-250
Victoria King	Software Development Lead	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	245	250	255	260	265	270	275	280	222.5	150-280
Gregory White	Business Development Manager	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	245	250	255	260	202.5	130-260
Michelle Hall	Operations Manager	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	172.5	110-240
Christopher Green	Marketing Specialist	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	157.5	90-220
Nicole Brown	UX Designer	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	142.5	80-210
Kevin Davis	Business Development	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	137.5	70-200
Amanda Miller	Operations Manager	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	172.5	110-240
Robert Wilson	Systems Administrator	60	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	127.5	60-190
Lisa Anderson	Human Resources	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	147.5	85-215
James Wilson	Finance Analyst	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	142.5	75-205
Amanda Taylor	Project Coordinator	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	167.5	95-225
Christopher Lee	Quality Assurance	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	127.5	65-195
Nicole White	Customer Support	50	55	60	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	112.5	50-180
Kevin Harris	IT Support	40	45	50	55	60	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	102.5	40-170
Michelle King	Administrative Assistant	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	92.5	30-160
Gregory Scott	Sales Representative	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	245	250	255	260	192.5	130-260
Stephanie Adams	Public Relations	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	172.5	105-235
Brandon Hall	Operations Supervisor	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	142.5	80-210
Heather Green	Marketing Coordinator	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	137.5	70-200
Timothy Baker	Software Tester	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	157.5	90-220
Rebecca Nelson	Business Analyst	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	172.5	110-240
Jonathan Phillips	Systems Engineer	60	65	70	75	80	85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	127.5	60-190
Christina Evans	Human Resources Manager	120	125	130	135	140	145	150	155	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	245	250		

[illegible]

Midtown South

357 Park Avenue South	24,328	Madison/Union Midtown South
231 Park Avenue South	24,000	Madison/Union Midtown South
18 West 21st Street	22,000	Madison/Union Midtown South
444 Park Avenue South	20,400	Madison/Union Midtown South
35 East 21st Street	20,000	Madison/Union Midtown South
41 Union Square West	20,000	Madison/Union Midtown South
36 West 25th Street	20,000	Madison/Union Midtown South
44-50 West 28th Street	20,000	Madison/Union Midtown South
135 Madison Avenue	19,800	Madison/Union Midtown South
1123 Broadway	19,367	Madison/Union Midtown South
71 West 25th Street	18,000	Madison/Union Midtown South
126-128 Fifth Avenue	17,000	Madison/Union Midtown South
141-7 Fifth Avenue	17,000	Madison/Union Midtown South
114 East 25th Street	16,800	Madison/Union Midtown South
257 Park Avenue South	16,513	Madison/Union Midtown South
53 West 23rd Street	15,256	Madison/Union Midtown South
281 Park Avenue South	15,000	Madison/Union Midtown South
3-5 East 28th Street	15,000	Madison/Union Midtown South
148 Madison Avenue	15,000	Madison/Union Midtown South
10 West 18th Street	15,000	Madison/Union Midtown South
18 West 18th Street	15,000	Madison/Union Midtown South
41-45 West 25th St	15,000	Madison/Union Midtown South
22 West 27th Street	15,000	Madison/Union Midtown South
331 Park Avenue South	14,900	Madison/Union Midtown South
278 Fifth Avenue	13,914	Madison/Union Midtown South
60 Madison Avenue	13,360	Madison/Union Midtown South
346 Park Avenue South	13,530	Madison/Union Midtown South
71 Fifth Avenue	13,106	Madison/Union Midtown South
115 Fifth Avenue	13,000	Madison/Union Midtown South
148 Madison Avenue	12,857	Madison/Union Midtown South
54 West 21st Street	12,825	Madison/Union Midtown South
307 Fifth Avenue	12,278	Madison/Union Midtown South
50 West 23rd Street	11,874	Madison/Union Midtown South
200 Park Avenue South	11,444	Madison/Union Midtown South
200 Fifth Avenue	11,143	Madison/Union Midtown South
184 Fifth Avenue	11,100	Madison/Union Midtown South
182 Fifth Avenue	11,000	Madison/Union Midtown South
345-355 Park Avenue South	10,832	Madison/Union Midtown South
302 Fifth Avenue	10,402	Madison/Union Midtown South
118 Fifth Avenue	10,000	Madison/Union Midtown South
104 East 25th Street	10,000	Madison/Union Midtown South
38 East 28th Street	10,000	Madison/Union Midtown South
102 Madison Avenue	10,000	Madison/Union Midtown South
440 Park Avenue South	10,000	Madison/Union Midtown South
12 West 21st Street	10,000	Madison/Union Midtown South
48 West 25th Street	10,000	Madison/Union Midtown South
12 West 27th Street	10,000	Madison/Union Midtown South
15 West 27th Street	10,000	Madison/Union Midtown South
404 Park Avenue South	9,243	Madison/Union Midtown South
225 Fifth Avenue	9,241	Madison/Union Midtown South
420 Park Avenue South	8,000	Madison/Union Midtown South
1201 Broadway	8,616	Madison/Union Midtown South
49 West 27th Street	8,600	Madison/Union Midtown South
114 East 23rd Street	8,400	Madison/Union Midtown South
7 East 17th Street	8,200	Madison/Union Midtown South
101 Fifth Avenue	8,180	Madison/Union Midtown South
45 East 20th Street	7,500	Madison/Union Midtown South
112 Madison Avenue	7,500	Madison/Union Midtown South
17-19 Union Sq West	7,500	Madison/Union Midtown South
37 Union Sq West	7,400	Madison/Union Midtown South
220 East 23rd Street	7,300	Madison/Union Midtown South
30 West 24th Street	7,000	Madison/Union Midtown South
200 Fifth Avenue	8,728	Madison/Union Midtown South
175 Fifth Avenue	8,700	Madison/Union Midtown South
27-35 West 24th Street	6,323	Madison/Union Midtown South
115 East 23rd Street	6,000	Madison/Union Midtown South
32 East 31st Street	6,000	Madison/Union Midtown South
89 Madison Avenue	5,500	Madison/Union Midtown South
14 West 23rd Street	5,200	Madison/Union Midtown South
902 Broadway	5,157	Madison/Union Midtown South
220 Fifth Avenue	5,000	Madison/Union Midtown South
255 Fifth Avenue	5,000	Madison/Union Midtown South
24 East 21st Street	5,000	Madison/Union Midtown South
30 East 23rd Street	5,000	Madison/Union Midtown South
121 East 24th Street	5,000	Madison/Union Midtown South
72 Madison Avenue	5,000	Madison/Union Midtown South
48 West 23rd Street	5,000	Madison/Union Midtown South
24 West 25th Street	5,000	Madison/Union Midtown South
67 Irving Place	4,936	Madison/Union Midtown South
7 West 18th Street	4,700	Madison/Union Midtown South
1115 Broadway	4,371	Madison/Union Midtown South
220 Broadway	3,400	Madison/Union Midtown South
16-18 West 22nd Street	3,300	Madison/Union Midtown South
206 Fifth Avenue	3,200	Madison/Union Midtown South
22 West 22nd Street	3,200	Madison/Union Midtown South
1123 Broadway	3,144	Madison/Union Midtown South
118 East 27th Street	3,000	Madison/Union Midtown South
192 Lexington Avenue	3,000	Madison/Union Midtown South
418 Park Avenue South	3,000	Madison/Union Midtown South
140 Madison Avenue	2,500	Madison/Union Midtown South
18 West 27th Street	2,500	Madison/Union Midtown South
2-4 West 22nd Street	2,400	Madison/Union Midtown South
34 East 22nd Street	2,350	Madison/Union Midtown South
140 Fifth Avenue	2,275	Madison/Union Midtown South
79 Madison Avenue	2,236	Madison/Union Midtown South
8-12 Avenue of the Americas	1,800	Madison/Union Midtown South
228 Fifth Avenue	1,500	Madison/Union Midtown South
173-9 Broadway	1,500	Madison/Union Midtown South
29 West 30th Street	1,448	Madison/Union Midtown South
30 Irving Place	1,100	Madison/Union Midtown South
18 East 18th Street	1,082	Madison/Union Midtown South
23 East 22nd Street	1,000	Madison/Union Midtown South
255 Lafayette Street	80,000	Soho Midtown South
451 Broadway	50,000	Soho Midtown South
585-578 Broadway	22,000	Soho Midtown South
584 Broadway	17,722	Soho Midtown South
536-8 Broadway	16,500	Soho Midtown South
584-94 Broadway	15,025	Soho Midtown South
75 Spring Street	8,100	Soho Midtown South
270 Lafayette Street	7,560	Soho Midtown South
110 Oranien Street	8,300	Soho Midtown South
110-114 Dancery Street	6,500	Soho Midtown South
500 Broadway	5,000	Soho Midtown South
120 West 1st Street	4,600	Soho Midtown South
560 Broadway	2,870	Soho Midtown South
565 Broadway	2,500	Soho Midtown South
384 Broadway	2,200	Soho Midtown South
520 Broadway	1,800	Soho Midtown South
560-62 Broadway	1,100	Soho Midtown South
Nov-01	7,227,109	
	0003028265	
	466,512	
TOTAL MIDTOWN	15,158,700	
TO CHECK	29,142,566	
Ratio	0.518023122	
Total	15,760,664	

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Midtown South - New C

Address, 1	Assessable_SF	Submarket	Market
85 Tenth Avenue	326,000	Chesaco	Midtown South
111 Eighth Avenue	271,378	Chesaco	Midtown South
262 Eleventh Avenue	187,194	Chesaco	Midtown South
601 West 26th Street	182,806	Chesaco	Midtown South
75 Ninth Avenue	135,249	Chesaco	Midtown South
243-245 West 17th Street	124,287	Chesaco	Midtown South
450 West 15th Street	100,800	Chesaco	Midtown South
156 West 27th Street	51,000	Chesaco	Midtown South
118 West 24th Street	50,000	Chesaco	Midtown South
224 West 30th Street	44,333	Chesaco	Midtown South
841 Avenue of the Americas	42,468	Chesaco	Midtown South
218 West 11th Street	38,443	Chesaco	Midtown South
228 West 28th Street	37,500	Chesaco	Midtown South
156 West 23rd Street	36,000	Chesaco	Midtown South
40 West 32nd Street	35,800	Chesaco	Midtown South
20 West 33rd Street	35,200	Chesaco	Midtown South
333 Seventh Avenue	33,000	Chesaco	Midtown South
335 Seventh Avenue	30,742	Chesaco	Midtown South
181 West 25th Street	30,000	Chesaco	Midtown South
130 West 30th Street	28,800	Chesaco	Midtown South
322 Eighth Avenue	23,495	Chesaco	Midtown South
114 West 28th Street	22,500	Chesaco	Midtown South
38-44 West 21st St	20,000	Chesaco	Midtown South
122 West 37th Street	20,000	Chesaco	Midtown South
525 West 10th Street	18,524	Chesaco	Midtown South
45-51 West 21st St	15,550	Chesaco	Midtown South
44 West 18th Street	15,250	Chesaco	Midtown South
156 West 25th Street	15,000	Chesaco	Midtown South
156 West 29th Street	15,000	Chesaco	Midtown South
275 Seventh Avenue	14,850	Chesaco	Midtown South
242 West 30th Street	14,800	Chesaco	Midtown South
121-12 West 27th Street	13,940	Chesaco	Midtown South
24 West 17th Street	13,000	Chesaco	Midtown South
127 West 25th Street	11,250	Chesaco	Midtown South
227 West 28th Street	10,200	Chesaco	Midtown South
636 Avenue of the Americas	10,000	Chesaco	Midtown South
135 West 29th Street	10,000	Chesaco	Midtown South
62 West 17th Street	9,990	Chesaco	Midtown South
151 West 25th Street	9,750	Chesaco	Midtown South
332 Seventh Avenue	7,500	Chesaco	Midtown South
116-14 West 22nd St	7,500	Chesaco	Midtown South
230 West 17th Street	8,000	Chesaco	Midtown South
37-45 West 20th Street	5,717	Chesaco	Midtown South
38 West 21st Street	5,000	Chesaco	Midtown South
155 West 19th Street	4,000	Chesaco	Midtown South
18 West 33rd Street	2,500	Chesaco	Midtown South
80 Eighth Avenue	2,489	Chesaco	Midtown South
134 West 29th Street	2,295	Chesaco	Midtown South
134 West 26th Street	2,000	Chesaco	Midtown South
770 Broadway	174,888	Greenwich Vtk Midtown South	
20 Cooper Square	88,000	Greenwich Vtk Midtown South	
85-95 University Place	80,000	Greenwich Vtk Midtown South	
622 Broadway	48,000	Greenwich Vtk Midtown South	
646 Broadway	45,293	Greenwich Vtk Midtown South	
826 Broadway	39,500	Greenwich Vtk Midtown South	
427 Broadway	33,500	Greenwich Vtk Midtown South	
21 Astor Place	33,000	Greenwich Vtk Midtown South	
625 Broadway	21,000	Greenwich Vtk Midtown South	
411 Broadway	17,875	Greenwich Vtk Midtown South	
40 Fifth Avenue	16,000	Greenwich Vtk Midtown South	
841 Broadway	12,844	Greenwich Vtk Midtown South	
633 Broadway	10,000	Greenwich Vtk Midtown South	
704-86 Broadway	10,000	Greenwich Vtk Midtown South	
617 Broadway	8,000	Greenwich Vtk Midtown South	
289-401 Lafayette St	7,500	Greenwich Vtk Midtown South	
636 Broadway	6,881	Greenwich Vtk Midtown South	
11 East 4th Street	6,600	Greenwich Vtk Midtown South	
400 Lafayette Street	6,600	Greenwich Vtk Midtown South	
30 Cooper Square	6,500	Greenwich Vtk Midtown South	
628 Broadway	5,720	Greenwich Vtk Midtown South	
700 Broadway	4,860	Greenwich Vtk Midtown South	
433 Broadway	3,262	Greenwich Vtk Midtown South	
73 Varck Street	324,508	Hudson Square Midtown South	
303 West 10th Street	116,700	Hudson Square Midtown South	
395 Hudson Street	106,500	Hudson Square Midtown South	
161 Avenue of the Americas	104,078	Hudson Square Midtown South	
95 Morton Street	71,000	Hudson Square Midtown South	
375 Hudson Street	58,874	Hudson Square Midtown South	
225 Varck Street	47,304	Hudson Square Midtown South	
145 Avenue of the Americas	48,000	Hudson Square Midtown South	
430 West 14th Street	48,000	Hudson Square Midtown South	
180 Varck Street	41,590	Hudson Square Midtown South	
150 Varck Street	35,023	Hudson Square Midtown South	
100 Avenue of the Americas	30,178	Hudson Square Midtown South	
345 Hudson Street	27,533	Hudson Square Midtown South	
340 West Street	22,238	Hudson Square Midtown South	
330 Hudson Street	22,000	Hudson Square Midtown South	
143-45 Varck Street	21,320	Hudson Square Midtown South	
155 Avenue of the Americas	7,688	Hudson Square Midtown South	
417 Canal Street	6,350	Hudson Square Midtown South	
137 Varck Street	3,789	Hudson Square Midtown South	
304-30 Hudson Street	3,000	Hudson Square Midtown South	
212 Fifth Avenue	128,000	Madison Union Midtown South	
245 Fifth Avenue	111,544	Madison Union Midtown South	
475 Park Avenue South	104,815	Madison Union Midtown South	
111 Fifth Avenue	101,323	Madison Union Midtown South	
360 Park Avenue South	90,700	Madison Union Midtown South	
261 Fifth Avenue	89,952	Madison Union Midtown South	
28 West 23rd Street	84,000	Madison Union Midtown South	
63 Madison Avenue	84,000	Madison Union Midtown South	
1107 Broadway	84,928	Madison Union Midtown South	
11 West 18th Street	66,000	Madison Union Midtown South	
11 East 28th Street	65,733	Madison Union Midtown South	
450-40 Park Avenue South	58,228	Madison Union Midtown South	
100 Madison Avenue	54,000	Madison Union Midtown South	
815 Broadway	51,318	Madison Union Midtown South	
146 Fifth Avenue	49,838	Madison Union Midtown South	
215 Park Avenue South	47,457	Madison Union Midtown South	
215 Park Avenue South	45,023	Madison Union Midtown South	
24-32 Union Sq East	42,510	Madison Union Midtown South	
40 West 25th Street	42,000	Madison Union Midtown South	
8 East 32nd Street	41,000	Madison Union Midtown South	
160 Broadway	37,500	Madison Union Midtown South	
138 Madison Avenue	37,000	Madison Union Midtown South	
304 Park Avenue South	34,719	Madison Union Midtown South	
332 Park Avenue South	34,500	Madison Union Midtown South	
1140 Broadway	34,433	Madison Union Midtown South	
230 Fifth Avenue	33,234	Madison Union Midtown South	
114 Fifth Avenue	33,200	Madison Union Midtown South	
15 East 26th Street	32,350	Madison Union Midtown South	
20 West 22nd Street	31,869	Madison Union Midtown South	
156 Fifth Avenue	30,700	Madison Union Midtown South	
22-28 West 18th Street	30,300	Madison Union Midtown South	
373 Park Avenue South	30,200	Madison Union Midtown South	
444-470 Park Ave South	29,435	Madison Union Midtown South	
300 Broadway	28,000	Madison Union Midtown South	
34 East 32nd Street	28,000	Madison Union Midtown South	
22-28 West 21st Street	28,000	Madison Union Midtown South	
127 East 25th Street	27,800	Madison Union Midtown South	
105 - 104 Fifth Avenue	27,000	Madison Union Midtown South	
41 Madison Avenue	26,978	Madison Union Midtown South	
78 Fifth Avenue	26,587	Madison Union Midtown South	

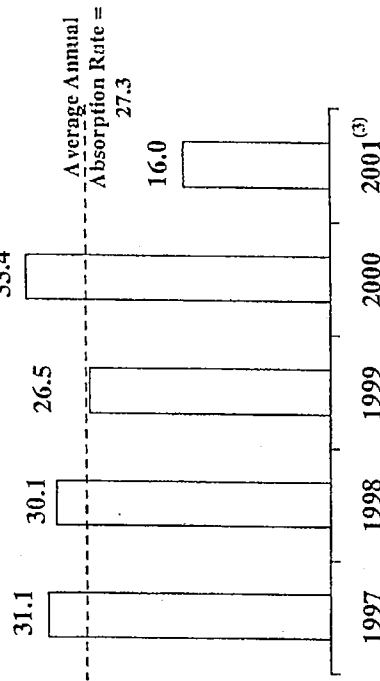
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Address_1	Amount_SF	Summary	Market
100 Broadway	25,963	Financial East	Downtown
100 Church Street	26,175	World Trade	Downtown
100 Maiden Lane	8,961	Insurance	Downtown
100 Wall Street	88,306	Financial East	Downtown
100 William Street	94,903	Insurance	Downtown
101 Maiden Lane	3,220	Insurance	Downtown
11 Broadway	150,183	Financial West	Downtown
11 Hanover Square	8,908	Financial East	Downtown
11 Park Place	16,496	City Hall	Downtown
110 Wall Street	32,661	Financial East	Downtown
110 William Street	70,778	Insurance	Downtown
111 Broadway	74,913	Financial West	Downtown
111 John Street	12,789	Insurance	Downtown
113 Broadway	163,167	Financial West	Downtown
116 John Street	57,814	Insurance	Downtown
120 Broadway	154,518	Financial East	Downtown
123 William Street	48,428	Insurance	Downtown
125 Maiden Lane	10,880	Insurance	Downtown
129 Fulton Street	33,000	Insurance	Downtown
133 Liberty Street	72,516	City Hall	Downtown
135 William Street	28,832	Insurance	Downtown
137 Nassau Street	860	Insurance	Downtown
14 Wall Street	55,813	Financial East	Downtown
140 Broadway	54,804	Financial East	Downtown
140 William Street	31,500	Insurance	Downtown
15 Maiden Lane	8,272	Insurance	Downtown
150 Broadway	8,962	Insurance	Downtown
156 William Street	18,320	Insurance	Downtown
157 Chambers Street	3,700	City Hall	Downtown
160 Broadway	1,482	Insurance	Downtown
160 Wall Street	22,000	Insurance	Downtown
161 William Street	40,871	Insurance	Downtown
17 Battery Place South	41,301	Financial West	Downtown
17 Wall Street	28,329	Financial East	Downtown
170 Broadway	23,005	Insurance	Downtown
182 Broadway	4,843	Insurance	Downtown
185 Broadway	254,626	World Trade	Downtown
186 Broadway	2,583	Insurance	Downtown
191 Wall Street	80,448	Insurance	Downtown
21 Broad Street	20,000	Financial East	Downtown
25 Exchange Place	304,647	Financial East	Downtown
200 Church Street	23,408	City Hall	Downtown
200 Hudson Street	71,823	City Hall	Downtown
202-204 Canal Street	10,860	City Hall	Downtown
217 Broadway	8,155	City Hall	Downtown
233 Broadway	255,661	City Hall	Downtown
25 Broadway	419,211	Financial West	Downtown
25 Broadway	158,778	Financial East	Downtown
255 West Broadway	1,850	City Hall	Downtown
26 Broadway	8,220	Financial West	Downtown
26 John Street	3,081	Insurance	Downtown
291 Broadway	17,590	City Hall	Downtown
299 Broadway	16,405	City Hall	Downtown
3 New York Plaza	10,900	Financial East	Downtown
30 Broad Street	119,217	Financial East	Downtown
30 Vesey Street	6,500	City Hall	Downtown
32 Wall Street	4,600	Financial East	Downtown
305 Broadway	1,100	City Hall	Downtown
33 Avenue of the Americas	274,047	City Hall	Downtown
33 Maiden Lane	131,964	Insurance	Downtown
33 Whitehall Street	150,806	Financial East	Downtown
375 Broadway	7,500	City Hall	Downtown
38 Broadway	55,413	Financial West	Downtown
40 Broad Street	78,823	Financial East	Downtown
40 Exchange Place	32,696	Financial East	Downtown
40 Fulton Street	101,692	Insurance	Downtown
40 Packer Street	3,110	Financial West	Downtown
40 Wall Street	106,673	Financial East	Downtown
40 Broadway	12,833	City Hall	Downtown
401 Washington Street	28,100	City Hall	Downtown
40 Broadway	23,037	Financial East	Downtown
41 Wall Street	61,404	Financial East	Downtown
41 Broadway, Abnott	70,253	Financial West	Downtown
42 John Street	20,347	Insurance	Downtown
42 Wall Street	110,600	Financial East	Downtown
480 Canal Street	20,640	City Hall	Downtown
5 Beekman Street	194,325	Insurance	Downtown
50 Broad Street	20,948	Financial East	Downtown
50 Broadway	100,728	Financial East	Downtown
50 Pine Street	4,500	Financial East	Downtown
52 Broadway	367,124	Financial East	Downtown
53 Broad Street	24,704	Financial East	Downtown
53 John Street	18,369	Insurance	Downtown
55 Wall Street	845,505	Financial East	Downtown
56 John Street	3,766	Insurance	Downtown
58 Maiden Lane	138,778	Insurance	Downtown
60 Broad Street	21,662	Financial East	Downtown
61 Broadway	182,831	Financial West	Downtown
63 Wall Street	14,246	Financial East	Downtown
65 Broadway	70,879	Financial West	Downtown
67 Wall Street	37,503	Financial East	Downtown
7 Der Street	2,150	World Trade	Downtown
7 Hanover Square	13,995	Financial East	Downtown
74 Trinity Place	20,163	Financial West	Downtown
75 Broad Street	163,261	Financial East	Downtown
75 Maiden Lane	21,895	Insurance	Downtown
75 Wall Street	18,966	Financial East	Downtown
77 Wall Street	21,800	Financial East	Downtown
80 Broad Street	144,721	Financial East	Downtown
80 Maiden Lane	37,281	Insurance	Downtown
80 Pine Street	3,182	Insurance	Downtown
80 Wall Street	8,684	Financial East	Downtown
81-83 Franklin Street	4,500	City Hall	Downtown
82 Beekman Street	11,701	Financial East	Downtown
82 Wall Street	7,227	Financial East	Downtown
83 Maiden Lane	46,300	Insurance	Downtown
85 Pine Street	133,968	Insurance	Downtown
90 Broad Street	87,747	Financial East	Downtown
90 John Street	14,148	Insurance	Downtown
90 Maiden Lane	6,700	Insurance	Downtown
90 Washington Street	326,500	Financial West	Downtown
90 William Street	12,584	Insurance	Downtown
95 Wall Street	125,000	Financial East	Downtown
99 Hudson Street	7,800	City Hall	Downtown
99 Wall Street	8,924	Financial East	Downtown
Financial Square	168,438	Financial East	Downtown
One Battery Park Place	43,838	Financial East	Downtown
One Broadway	33,712	Financial West	Downtown
One Exchange Place	80,253	Financial West	Downtown
One Liberty Plaza	252,703	World Trade	Downtown
One New York Plaza	40,826	Financial East	Downtown
One State Street Plaza	303,888	Financial East	Downtown
One Wall Street	3,343	Financial East	Downtown
One Whitehall Street	30,249	Financial East	Downtown
Two New York Plaza	343,900	Financial East	Downtown
Two Rector Street	36,113	Financial West	Downtown
Two Wall Street	32,822	Financial East	Downtown
Non-01	6,505,827		
	2,775,058	Class A factor 0.292	

EDSSR 000567

Over recent years, the new supply of office space coming available has not met the increased demand for Class A office space, as demonstrated by significant gross absorption and historically low vacancy⁽¹⁾

Manhattan Class A Gross Absorption⁽²⁾ in
Manhattan
1997-2001⁽³⁾
(Million Square Feet)

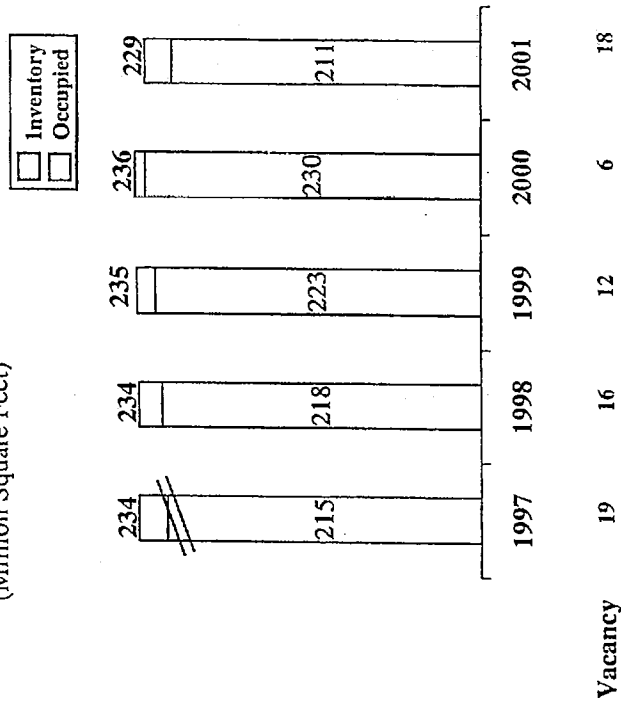


New
Completed
Space

Note: (1) Vacancy is defined as the variance between inventory and occupied space
(2) Gross assumption represents total leasing activities
(3) As of October 2001
(4) Includes 575 Broadway 1Q '01 (0.08msf), 3 Times Square 3Q '01 (0.8msf) and 1 Rockefeller Plaza West 3Q '01 (1.0msf)

Sources: Insignia; Cushman & Wakefield; A.T. Kearney analysis

Manhattan Class A Office Space Analysis —
Inventory vs. Occupied⁽¹⁾ in Manhattan
1997-2001⁽³⁾
(Million Square Feet)



EDSSR 000568

[illegible]

EDSSR 000571

www

EDSSR 000572

NEW OFFICE DEVELOPMENT COMPLETIONS
NEW YORK CITY

3Q01

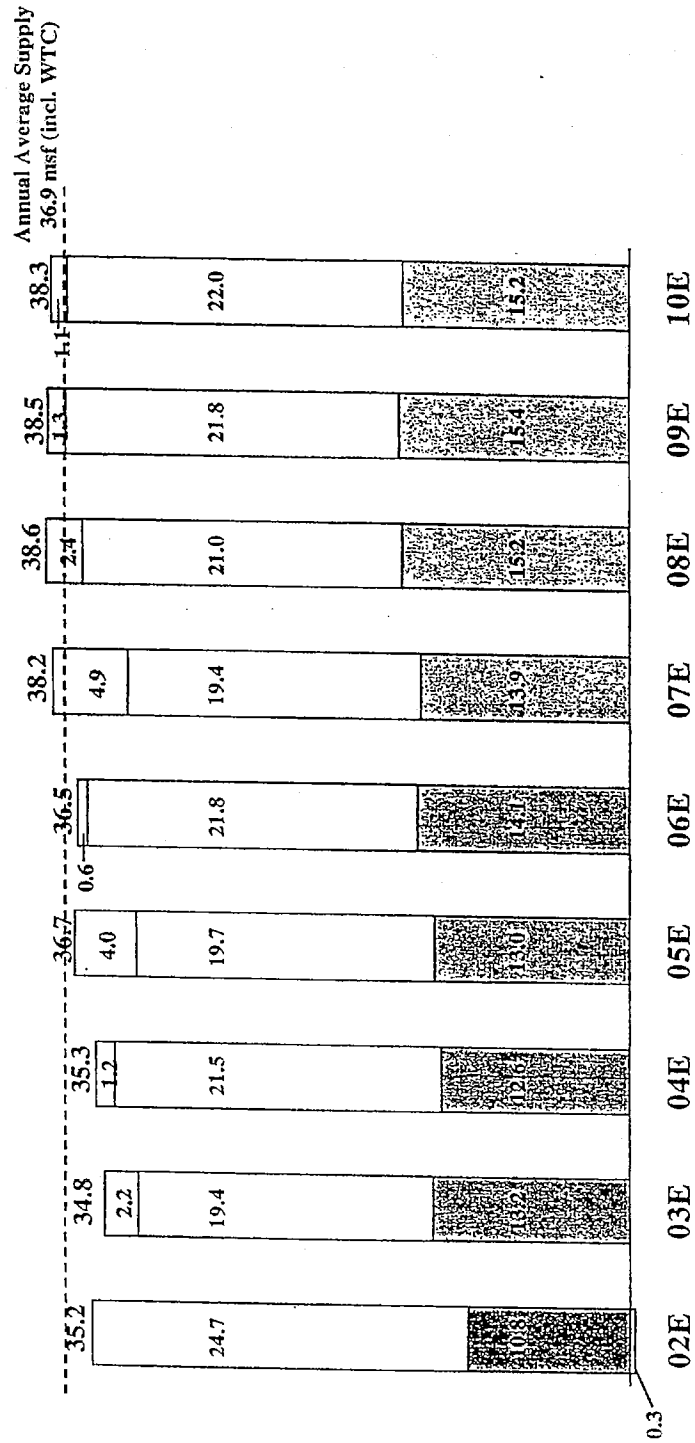
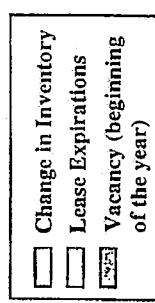
Adress	Completed	Space Available	SF
575 Broadway	1Q01	0	87,500
3 Times Square	3Q01	0	802,406
1 Rockefeller Plaza West	3Q01	0	1,036,000
			1,925,906

EDSSR 000573

The projected supply of Class A space with the WTC rebuild is expected to average 37 million square feet annually over the decade, continuing the trend of the last several years of minimal new construction

Manhattan Class A Projected Supply ⁽¹⁾ With WTC Rebuilding

2002E – 2010E Base Case
(Million Square Feet)



Sources: Cushman & Wakefield; Silverstein Properties; A.T. Kearney analysis

A.T. Kearney 17/19329-cj 14

EDSSR 000574

Report	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Poss	\$40.70	\$36.61	\$36.15	\$35.84	\$35.61	\$35.52	\$35.42	\$35.37	\$35.36	\$36.33
Opt	\$40.70	\$37.22	\$37.63	\$37.69	\$37.99	\$38.22	\$38.44	\$41.00	\$42.86	\$45.97
Base	\$40.70	\$36.92	\$36.89	\$36.87	\$36.80	\$36.82	\$37.41	\$38.23	\$39.31	\$40.65

Diff Opt Poss

Diff Base-Poss	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	0.5	0.5	0.5	0.5	0.5	0.4825882	0.4896568	0.4608537	0.4536631	0.4461989

New Slow Rebuild

Report	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Optimal	\$ 35.40	\$ 22.37	\$ 32.72	\$ 32.95	\$ 32.84	\$ 33.26	\$ 33.12	\$ 32.68	\$ 32.44	\$ 32.58
Pessimist	\$ 35.39	\$ 31.84	\$ 31.43	\$ 31.16	\$ 30.59	\$ 30.07	\$ 29.33	\$ 28.20	\$ 26.88	\$ 25.35
D O-P	\$ 0.01	\$ 0.53	\$ 1.29	\$ 1.79	\$ 2.30	\$ 3.19	\$ 3.79	\$ 4.48	\$ 5.56	\$ 7.23
D * Diff B-P	\$ 0.00	\$ 0.27	\$ 0.64	\$ 0.89	\$ 1.15	\$ 1.54	\$ 1.78	\$ 2.06	\$ 2.52	\$ 3.24
Base	\$ 35.39	\$ 32.10	\$ 32.08	\$ 32.06	\$ 31.74	\$ 31.61	\$ 31.11	\$ 30.26	\$ 29.40	\$ 28.59
Base*1.15	\$ 40.70	\$ 36.92	\$ 36.89	\$ 36.87	\$ 36.80	\$ 36.85	\$ 35.78	\$ 34.80	\$ 33.81	\$ 32.88

Lease Changes

Optimal	24.22	18.60	21.35	19.60	22.07	19.18	20.73	21.74	22.08
Pessimist	25.10	20.14	21.55	19.70	21.50	19.52	21.27	21.90	22.01
D O-P	(0.87)	(1.54)	(0.20)	(0.10)	0.58	(0.35)	(0.54)	(0.16)	0.06
D * Diff B-P	(0.44)	(0.77)	(0.10)	(0.05)	0.29	(0.16)	(0.25)	(0.07)	0.03
Base	24.66	19.37	21.45	19.65	21.78	19.36	21.02	21.53	22.04

Change in Inventory

Optimal	(0.33)	2.28	1.26	2.02	0.60	2.56	0.24	(1.02)	(1.39)
Pessimist	(0.33)	2.28	1.26	2.02	0.60	2.30	(0.40)	(1.39)	(1.39)
D O-P	-	-	-	-	-	0.26	0.64	0.37	(0.00)
D * Diff B-P	-	-	-	-	-	0.12	0.30	0.17	(0.00)
Base	(0.33)	2.28	1.26	2.02	0.60	2.42	(0.10)	(1.22)	(1.39)

Manhattan Class A proj. Supply (two vacancy)	24.33	21.65	22.71	21.67	22.37	21.78	20.92	20.61	20.65	21.86
Manhattan Class A proj. vacancy	24.33	21.65	22.71	23.67	22.37	24.28	23.42	23.11	22.15	23.19
Manhattan Class A proj. Supply (with vacancy)	13.16	12.61	13.03	14.11	13.89	15.19	15.41	15.16	14.79	14.15
	37.50	34.26	35.73	37.78	36.26	38.48	36.63	38.27	37.94	37.34

Method 1: Supply- Manhattan Class A (with WTC Rebuild)	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Leasing Activity	22.19	21.92	22.21	22.29	22.58	22.67	23.03	23.25	23.40	23.55
Vacancy	10.83	13.16	12.61	13.03	14.11	13.89	15.19	15.41	15.16	14.79
Total	33.02	35.09	34.82	35.32	36.70	36.55	38.22	38.65	38.56	38.34
Method 2: Supply- Manhattan Class A (with WTC Rebuild)	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Vacancy at beginning of year	10.83	13.16	12.61	13.03	14.11	13.89	15.19	15.41	15.16	14.79
Expiring leases	24.66	19.37	21.45	19.65	21.78	19.36	21.02	21.53	22.04	22.04
Change in inventory	(0.33)	2.28	1.26	4.02	0.60	4.92	2.39	1.28	1.10	1.10
Total	35.16	34.82	35.32	36.70	36.48	38.17	38.61	38.51	38.30	38.30

Leasing Activity

Optimal	22.20	21.98	22.36	22.47	22.79	22.87	23.28	23.56	23.76	23.95
Pessimist	22.19	21.87	22.06	22.11	22.38	22.48	22.81	22.98	23.10	23.22
D O-P	0.02	0.11	0.30	0.35	0.40	0.38	0.47	0.58	0.66	0.72
D * Diff B-P	-	0.06	0.15	0.18	0.20	0.19	0.22	0.27	0.30	0.32
Base	22.19	21.92	22.21	22.29	22.58	22.67	23.03	23.25	23.40	23.55

Vacancy - Downtown Class A

Optimal	3.8%	6.9%	7.1%	6.6%	7.5%	6.6%	6.5%	6.5%	6.4%	6.1%
Pessimist	3.9%	7.5%	8.1%	7.9%	8.9%	8.4%	9.0%	9.4%	9.7%	10.0%
D O-P	-0.1%	-0.6%	-1.0%	-1.3%	-1.4%	-1.7%	-2.4%	-2.8%	-3.2%	-3.9%
D * Diff B-P	0.0%	-0.3%	-0.5%	-0.6%	-0.7%	-0.8%	-1.1%	-1.3%	-1.5%	-1.7%
Base	3.9%	7.2%	7.6%	7.2%	8.2%	7.5%	7.8%	8.0%	8.2%	8.2%

Vacancy - Manhattan Class A

Optimal	4.6%	5.4%	4.7%	4.8%	5.0%	4.9%	5.2%	5.1%	4.9%	4.6%
Pessimist	4.7%	5.9%	6.0%	6.3%	6.7%	6.5%	7.0%	7.1%	7.1%	7.0%
D O-P	-0.1%	-0.5%	-1.3%	-1.5%	-1.7%	-1.6%	-1.8%	-2.0%	-2.2%	-2.4%
D * Diff B-P	0.0%	-0.2%	-0.6%	-0.7%	-0.8%	-0.9%	-0.8%	-0.9%	-1.0%	-1.1%
Base	4.7%	5.7%	5.4%	5.5%	5.9%	5.8%	6.2%	6.2%	6.1%	5.9%

Inventory - Manhattan Class A

Optimal	232,731	232,403	234,681	235,940	239,962	240,557	245,619	248,361	249,845	250,954
Pessimist	232,731	232,403	234,681	235,940	239,962	240,557	245,358	247,459	248,574	249,586
D O-P	-	-	-	-	-	-	261	902	1,271	1,269
D * Diff B-P	-	-	-	-	-	-	123	415	577	569
Base	232,731	232,403	234,681	235,940	239,962	240,557	245,481	247,875	249,150	250,254

Expiring Leases

Optimal	24.22	18.60	21.35	19.60	22.07	19.18	20.73	21.74	22.08
Pessimist	25.10	20.14	21.55	19.70	21.50	19.52	21.27	21.90	22.01
D O-P	(1)	(2)	(0)	(0)	1	(0)	(1)	(0)	0
D * Diff B-P	(0)	(1)	(0)	(0)	0	(0)	(0)	(0)	0
Base	24.7	19.4	21.4	19.6	21.8	19.4	21.0	21.8	22.0

Absorption

WTC	Poss	Opt	% Poss	% Opt	P	O
1.00	22.4	22.8	4.5%	4.4%	21.40	21.80
1.00	22.5	22.9	4.4%	4.4%	21.50	21.90
1.00	22.8	23.3	4.4%	4.3%	21.80	22.30
2.20	23	23.6	9.6%	9.3%	20.60	21.40
2.50	23.1	23.8	10.8%	10.5%	20.60	21.30
2.50	23.2	23.9	10.8%	10.5%	20.70	21.40

36.92

36.90

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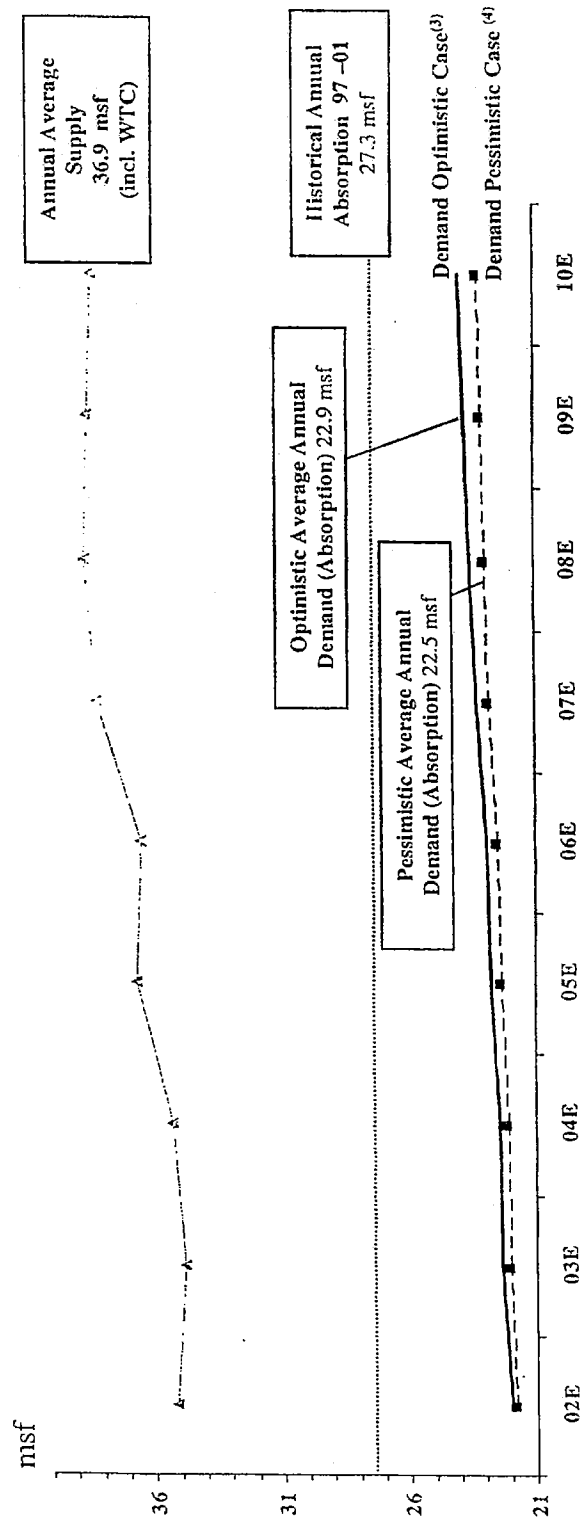
Projected demand, mostly driven by employee growth and expiring leases, is expected to average approximately 22.5 million square feet over the decade. While well below the level of space absorbed over the last several years⁽¹⁾, vacancy rate is projected to remain manageable (in spite of the WTC rebuilding) as the gap between supply and demand is expected to remain stable.

Manhattan Projected Gross Demand (Absorption)⁽²⁾ and Supply (Including the WTC)

Class A Space

2002E - 2010E

(Million Square Feet)



Note: (1) Demand over the last five years has averaged over 27 msf, or over 20 percent higher than that projected going forward
 (2) Calculated as 10% of projected occupied space based on historical trend analysis
 (3) Assumes fast economic recovery and 10-year office employee growth of 1.3 percent between 2001 and 2010
 (4) Assumes slow economic recovery and 10-year office employee growth of 1.1 percent between 2001 and 2010

Sources: Cushman & Wakefield; A.T. Kearney analysis

A.T. Kearney 17/19329-cj 15

Source: Baseline CSM projections, Manhattan, Forecast 2010.									
Pessimistic Case - New Slow WTC Rebuild									
	Office Using Employment - A				Projected Rent/Floor Plans				Use
	2001Q4	2002Q4	2003Q4	2004Q4	2005Q4	2006Q4	2007Q4	2008Q4	
WTC Construction									
NEW YORK/Downtown									
Vacancy Rate	12.5%	12.5%	13.5%	13.1%	14.8%	13.8%	14.8%	15.8%	
Rent, \$/sf	\$5,042.318	\$5,042.318	\$5,042.318	\$5,042.318	\$5,042.318	\$5,042.318	\$5,042.318	\$5,042.318	
Inventory	89,912,538	89,912,538	89,912,538	89,912,538	89,912,538	89,912,538	89,912,538	89,912,538	
Occupied Inventory									
NY/Downtown A									
40% Vacancy Rate	3.95%	3.95%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	
1.5% Price Premium	\$40.80	\$40.80	\$40.80	\$40.80	\$40.80	\$40.80	\$40.80	\$40.80	
NY/Downtown B									
Vacancy Rate	3.78%	3.78%	3.78%	3.78%	3.78%	3.78%	3.78%	3.78%	
Rent, \$/sf	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	
Inventory	56,987,860	56,987,860	56,987,860	56,987,860	56,987,860	56,987,860	56,987,860	56,987,860	
Occupied Inventory									
NEW YORK/Downtown									
Vacancy Rate	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	
Rent, \$/sf	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	
Inventory	56,987,860	56,987,860	56,987,860	56,987,860	56,987,860	56,987,860	56,987,860	56,987,860	
Occupied Inventory									
NEW YORK/Downtown									
Vacancy Rate	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	
Rent, \$/sf	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	\$2,525.843	
Inventory	56,987,860	56,987,860	56,987,860	56,987,860	56,987,860	56,987,860	56,987,860	56,987,860	
Occupied Inventory									
Manhattan									
Vacancy Rate	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	
Rent, \$/sf	\$17,048.719	\$17,048.719	\$17,048.719	\$17,048.719	\$17,048.719	\$17,048.719	\$17,048.719	\$17,048.719	
Inventory (M)S	291,747,865	291,747,865	291,747,865	291,747,865	291,747,865	291,747,865	291,747,865	291,747,865	
Inventory (D)	387,894,112	387,894,112	387,894,112	387,894,112	387,894,112	387,894,112	387,894,112	387,894,112	
Total Inventory	679,641,977	679,641,977	679,641,977	679,641,977	679,641,977	679,641,977	679,641,977	679,641,977	
Occupied Inventory									
Downtown/Manhattan Inv									
Downtown/Manhattan Vac									
Manhattan - CLS A									
60% Vacancy A									
60% Inventory (M)S A									
60% Inventory (D) A									
Change in Inventory A									
Occupied A									
Net Absorption A									
10% Leasing activity (on Occupied)									
Supply									
Expiling Leases									
Change in Inventory									
Change in Inventory w/o WTC									
Supply w/o WTC									
Supply w WTC									
Expiling Leases/Rent									
TOTAL									

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Source: Barilino C&V projections, Manhattan, Forecast 2010.									
Optimistic Case - New Slow WTC Rebuild									
Office Using Employment in WTC Construction									
	2002Q4	2003Q4	2004Q4	2005Q4	2006Q4	2007Q4	2008Q4	2009Q4	2010Q4
NEW YORK Downtown	64,443	65,537	66,558	67,577	68,596	69,615	70,634	71,653	72,672
Vacancy Rate	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Real, \$M	\$8,136,447	\$8,552,573	\$8,968,700	\$9,384,826	\$9,800,952	\$10,217,078	\$10,633,204	\$11,049,330	\$11,465,456
Occupied Inventory	\$4,863,358	\$5,166,611	\$5,470,864	\$5,775,117	\$6,079,370	\$6,383,623	\$6,687,876	\$6,992,129	\$7,296,382
NY Downtown A									
60% Vacancy Rate	3.64%	7.69%	6.93%	6.54%	6.54%	6.54%	6.54%	6.54%	6.54%
115% Rent, \$M	\$40.71	\$37.22	\$37.89	\$38.25	\$38.60	\$38.95	\$39.30	\$39.65	\$40.00
15% Price Premium	\$46.81	\$43.27	\$43.58	\$43.89	\$44.20	\$44.51	\$44.82	\$45.13	\$45.44
NY Midtown South									
Vacancy Rate	8.6%	6.4%	5.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
Rent, \$M	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222
Inventory	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261
Occupied Inventory	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261
NEW YORK Midtown									
Vacancy Rate	7.9%	6.7%	5.5%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
Rent, \$M	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222
Inventory	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261
Occupied Inventory	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261
MANHATTAN									
Vacancy Rate	7.6%	6.4%	5.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
Rent, \$M	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222	\$2,302,222
Inventory (M MS)	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261
Inventory (D)	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261
Total Inventory	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261
Occupied Inventory	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261	\$1,051,261
Downtown / Manhattan occ									
Downtown / Manhattan vac									
Historical									
60% Vacancy A	4.4%	5.4%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
60% Inventory (M MS) A	175,048,710	175,048,710	175,048,710	175,048,710	175,048,710	175,048,710	175,048,710	175,048,710	175,048,710
60% Inventory (D) A	57,665,591	57,665,591	57,665,591	57,665,591	57,665,591	57,665,591	57,665,591	57,665,591	57,665,591
Inventory A	232,714,301	232,714,301	232,714,301	232,714,301	232,714,301	232,714,301	232,714,301	232,714,301	232,714,301
Change in Inventory A	(327,503)	(327,503)	(327,503)	(327,503)	(327,503)	(327,503)	(327,503)	(327,503)	(327,503)
Change in Inventory	219,606,823	219,606,823	219,606,823	219,606,823	219,606,823	219,606,823	219,606,823	219,606,823	219,606,823
Net Absorption A	(224,183)	(224,183)	(224,183)	(224,183)	(224,183)	(224,183)	(224,183)	(224,183)	(224,183)
10% Leasing activity (on Occupie	22,024,820	22,024,820	22,024,820	22,024,820	22,024,820	22,024,820	22,024,820	22,024,820	22,024,820
Supply									
Expiling Leases	21,222,285	21,222,285	21,222,285	21,222,285	21,222,285	21,222,285	21,222,285	21,222,285	21,222,285
Change in Inventory	(227,963)	(227,963)	(227,963)	(227,963)	(227,963)	(227,963)	(227,963)	(227,963)	(227,963)
Change in Inventory w/o WTC	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769
Supply w/o WTC	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769
Supply w WTC	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769
Expiling Leases/Rent	21,222,285	21,222,285	21,222,285	21,222,285	21,222,285	21,222,285	21,222,285	21,222,285	21,222,285
TOTAL	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769	23,059,769

Supply

	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Rent										
Optim	\$40.70	\$36.61	\$36.15	\$35.84	\$35.61	\$35.52	\$35.62	\$35.87	\$36.36	\$36.33
Opt	\$40.70	\$37.22	\$37.63	\$37.89	\$37.99	\$38.22	\$38.44	\$41.00	\$42.86	\$45.97
Base	\$40.70	\$36.92	\$36.89	\$36.87	\$36.80	\$36.82	\$37.41	\$38.23	\$39.31	\$40.65

Diff Opt Pass	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Diff Base-Pass	0.5	0.5	0.5	0.5	0.5	0.4825682	0.4698668	0.4655537	0.4536631	0.4481999

New Slow Rebuild

	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Rents										
Optim	\$ 35.40	\$ 32.37	\$ 32.72	\$ 32.95	\$ 32.88	\$ 33.26	\$ 33.12	\$ 32.68	\$ 32.44	\$ 32.58
Passim	\$ 35.39	\$ 31.84	\$ 31.43	\$ 31.16	\$ 30.53	\$ 30.07	\$ 29.33	\$ 28.20	\$ 26.88	\$ 25.35
O O-P	\$ 0.01	\$ 0.53	\$ 1.29	\$ 1.79	\$ 2.30	\$ 3.19	\$ 3.79	\$ 4.48	\$ 5.56	\$ 7.23
D - Diff B-P	\$ 0.00	\$ 0.27	\$ 0.54	\$ 0.89	\$ 1.15	\$ 1.54	\$ 1.78	\$ 2.06	\$ 2.52	\$ 3.24
Base	\$ 35.39	\$ 32.10	\$ 32.08	\$ 32.06	\$ 31.74	\$ 31.61	\$ 31.11	\$ 30.26	\$ 29.40	\$ 28.59
Base*1.15	\$ 40.70	\$ 36.92	\$ 36.89	\$ 36.87	\$ 36.50	\$ 36.35	\$ 36.78	\$ 34.80	\$ 33.81	\$ 32.88

Lease Changes

Optim		24.22	18.60	21.35	19.60	22.07	19.18	20.73	21.74	22.08
Passim		25.10	20.14	21.55	19.70	21.50	19.52	21.27	21.90	22.01
O O-P	-	(0.87)	(1.54)	(0.20)	(0.10)	0.58	(0.35)	(0.54)	(0.16)	0.06
D - Diff B-P	-	(0.44)	(0.77)	(0.10)	(0.05)	0.28	(0.16)	(0.25)	(0.07)	0.03
Base	-	24.66	19.37	21.45	19.65	21.78	19.36	21.02	21.83	22.04

Change in Inventory

Optim		(0.33)	2.28	1.26	2.02	0.60	2.56	0.24	(1.02)	(1.39)
Passim		(0.33)	2.28	1.26	2.02	0.60	2.56	(0.40)	(1.39)	(1.39)
O O-P	-	-	-	-	-	0.26	0.64	0.37	(0.00)	(0.00)
D - Diff B-P	-	-	-	-	-	0.12	0.30	0.17	(0.00)	(0.00)
Base	-	(0.33)	2.28	1.26	2.02	0.60	2.42	(0.10)	(1.22)	(1.39)

Manhattan Class A proj. Supply (w/o vacancy)	24.33	21.65	22.71	21.67	22.37	21.76	20.92	20.61	20.65	21.88
Manhattan Class A proj. vacancy	24.33	21.65	22.71	23.67	22.37	24.28	23.42	23.11	23.15	23.19
Manhattan Class A proj. Supply (with vacancy)	37.50	34.26	35.73	7.78	36.26	39.48	38.83	36.27	37.94	37.34

	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Method 1: Supply - Manhattan Class A (with WTC Rebuild)										
Leasing Activity	22.19	21.92	22.21	22.29	22.58	22.67	23.03	23.25	23.40	23.55
Vacancy	10.83	13.16	12.61	13.03	14.11	13.89	15.19	15.41	15.16	14.79
Total	33.02	35.09	34.82	35.32	36.70	36.55	38.22	38.65	38.56	38.34
Method 2: Supply - Manhattan Class A (with WTC Rebuild)										
Vacancy at beginning of year	10.83	13.16	12.61	13.03	14.11	13.89	15.19	15.41	15.16	15.16
Expiring leases	24.66	19.37	21.45	19.65	21.78	19.36	21.02	21.83	22.04	22.04
Change in Inventory	(0.33)	2.28	1.26	4.02	0.60	4.92	2.39	1.28	1.10	1.10
Total	35.16	34.82	35.32	36.70	36.48	38.17	38.61	39.51	38.30	36.90

Leasing Activity

Optim	22.20	21.98	22.36	22.47	22.79	22.87	23.28	23.56	23.76	23.95
Passim	22.19	21.87	22.06	22.11	22.38	22.48	22.81	22.98	23.10	23.22
O O-P	0.02	0.11	0.30	0.35	0.40	0.38	0.47	0.58	0.66	0.72
D - Diff B-P	-	0.06	0.15	0.18	0.20	0.19	0.22	0.27	0.30	0.32
Base	22.19	21.92	22.21	22.29	22.58	22.67	23.03	23.25	23.40	23.55

Vacancy - Downtown Class A

Optim	3.8%	6.9%	7.1%	6.6%	7.5%	6.6%	6.5%	6.5%	6.4%	6.1%
Passim	3.9%	7.5%	8.1%	7.9%	8.9%	8.4%	9.0%	9.4%	9.7%	10.0%
O O-P	-1.1%	-0.6%	-1.0%	-1.3%	-1.4%	-1.7%	-2.4%	-2.8%	-3.2%	-3.9%
D - Diff B-P	0.0%	-0.3%	-0.5%	-0.6%	-0.7%	-0.8%	-1.1%	-1.3%	-1.5%	-1.7%
Base	3.9%	7.2%	7.6%	7.2%	8.2%	7.5%	7.6%	8.0%	8.2%	8.2%

Vacancy - Manhattan Class A

Optim	4.6%	5.4%	4.7%	4.8%	5.0%	4.9%	5.2%	5.1%	4.9%	4.6%
Passim	4.7%	5.9%	6.0%	6.3%	6.7%	6.5%	7.0%	7.1%	7.1%	7.0%
O O-P	-0.1%	-0.5%	-1.3%	-1.5%	-1.7%	-1.6%	-1.8%	-2.0%	-2.2%	-2.4%
D - Diff B-P	0.0%	-0.2%	-0.6%	-0.7%	-0.8%	-0.8%	-0.9%	-0.9%	-1.0%	-1.1%
Base	4.7%	5.7%	5.4%	5.5%	5.9%	5.8%	6.2%	6.2%	6.1%	5.9%

Inventory - Manhattan Class A

Optim	232,731	232,403	234,681	235,940	239,962	240,557	245,619	248,361	249,845	250,354
Passim	232,731	232,403	234,681	235,940	239,962	240,557	245,358	247,459	248,574	249,656
O O-P	-	-	-	-	-	-	261	902	1,271	1,269
D - Diff B-P	-	-	-	-	-	-	123	415	577	569
Base	232,731	232,403	234,681	235,940	239,962	240,557	245,481	247,875	249,150	250,254

Expiring Leases

Optim		24.22	18.60	21.35	19.60	22.07	19.18	20.73	21.74	22.08
Passim		25.10	20.14	21.55	19.70	21.50	19.52	21.27	21.90	22.01
O O-P		(1)	(2)	(0)	(0)	1	(0)	(1)	(0)	0
D - Diff B-P		(0)	(1)	(0)	(0)	0	(0)	(0)	(0)	0
Base		24.7	19.4	21.4	19.6	21.8	19.4	21.0	21.8	22.0

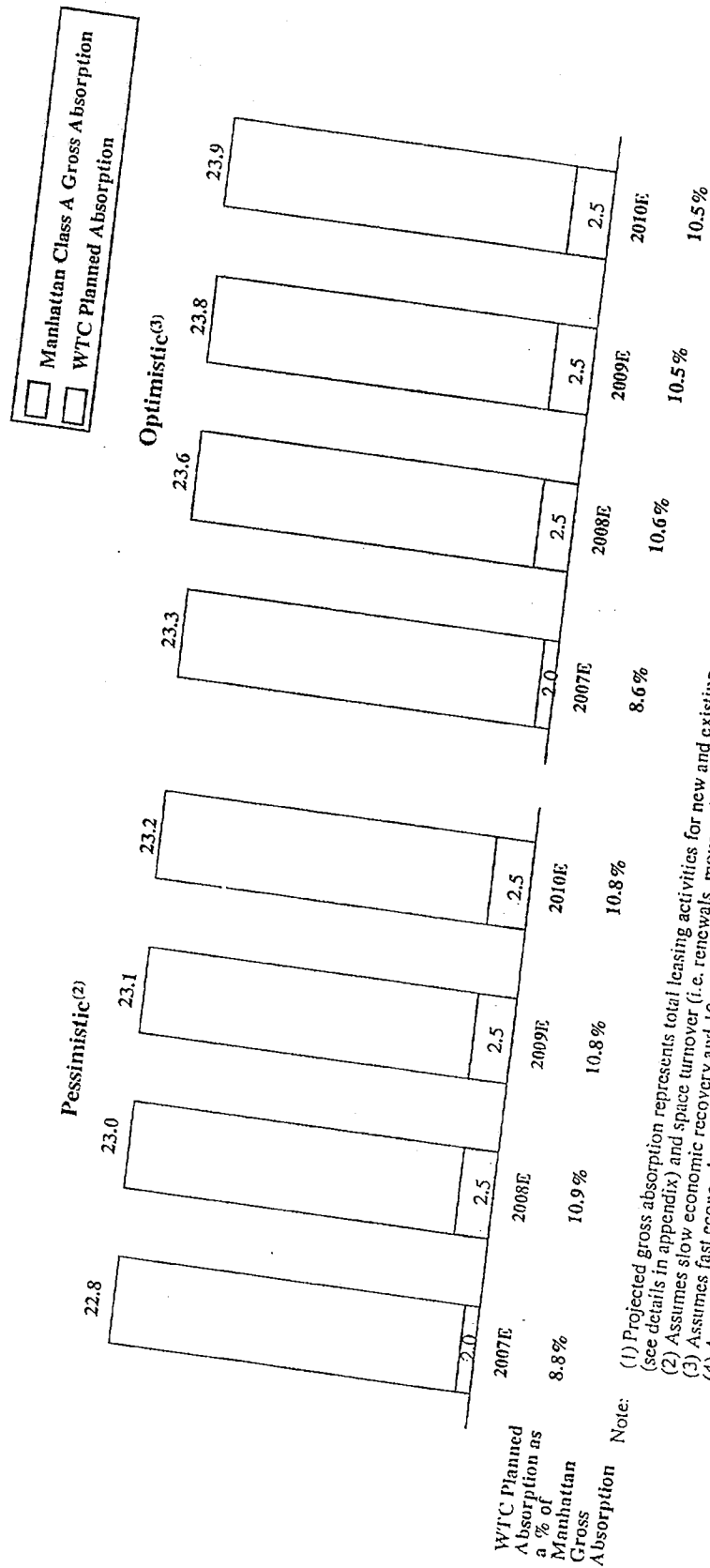
Absorption

	WTC	Pass	Opt	% Pass	% Opt	P	O
1.00		22.4	22.8	4.5%	4.4%	21.40	21.80
1.00		22.5	22.9	4.4%	4.4%	21.50	21.90
1.00		22.8	23.3	4.4%	4.3%	21.80	22.30
2.20		23	23.6	9.6%	9.3%	20.80	21.40
2.50		23.1	23.8	10.8%	10.5%	20.60	21.30
2.50		23.2	23.9	10.8%	10.5%	20.70	21.40

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Though many have voiced concern that rebuilding the WTC will "swamp the market" with unwanted supply, the WTC absorption assumptions⁽⁴⁾ appear to be viable, based on projected estimates of need for Manhattan office space

WTC Planned Absorption Vs. Class A Market Gross Absorption^(1,4)
(Million Square Feet)



Note: (1) Projected gross absorption represents total leasing activities for new and existing space. It is calculated based on projected net absorption (see details in appendix) and space turnover (i.e. renewals, moves within Manhattan, moves into and out of Manhattan)
 (2) Assumes slow economic recovery and 10-year office employee growth of 1.1 percent between 2001 and 2010
 (3) Assumes fast economic recovery and 10-year office employee growth of 1.3 percent between 2001 and 2010
 (4) Assumes Pre-leasing of 40% in WTC 1-4 and 1.35 msf each quarter in each building once buildings are completed

Sources: Cushman & Wakefield; Silverstein Properties; A.T. Kearney analysis
 A.T. Kearney 17/19329.cj

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Source: Baseline GLW projections, Manhattan_Forecast2010.

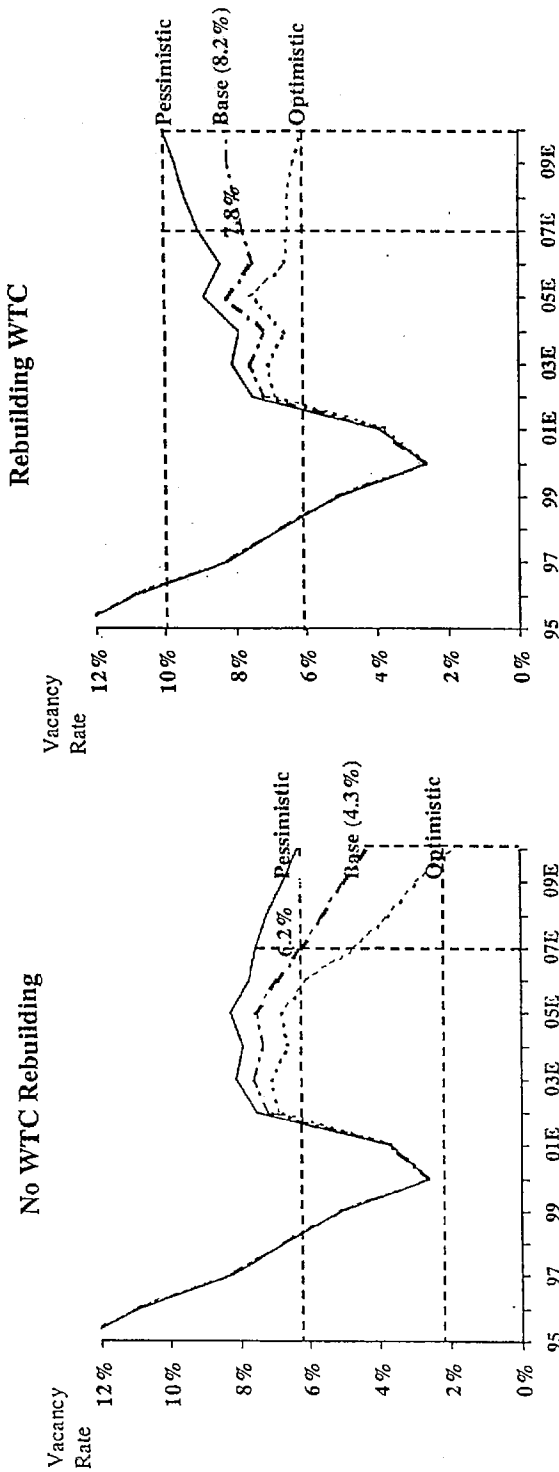
Pessimistic Case - New Slow WTC Rebuild

	2001Q4	2002Q4	2003Q4	2004Q4	2005Q4	2006Q4	2007Q4	2008Q4	2009Q4	2010Q4	2011Q4	2012Q4
Offices Using Employment-1												
WTC Construction	649,443	641,784	659,507	665,058	2,000,000							
NEW YORK-Downtown												
Vacancy Rate	8.5%	12.5%	12.9%	13.1%	14.9%	15.8%	16.9%	18.1%	19.1%	20.0%	20.0%	20.0%
Rent, \$/sf	\$6,128.427	\$6,944.318	\$6,752.573	\$6,581.212	\$6,868.723	\$6,770.944	\$6,730.07	\$6,700.944	\$6,680.944	\$6,660.944	\$6,640.944	\$6,620.944
Inventory	86,812,536	83,972,248	82,430,758	83,046,558	84,341,468	84,993,343	85,624,512	86,221,600	86,804,588	87,380,576	87,956,564	88,532,552
Occupied Inventory												
NY Downtown A												
60% Vacancy Rate	3.85%	7.49%	8.10%	7.88%	8.87%	9.37%	9.85%	10.33%	10.81%	11.29%	11.77%	12.25%
15% Price Premium	\$40.70	\$38.61	\$36.15	\$33.64	\$31.17	\$28.70	\$26.23	\$23.76	\$21.29	\$18.82	\$16.35	\$13.88
15% Price Premium	\$46.80	\$42.10	\$41.57	\$41.21	\$40.45	\$39.77	\$39.09	\$38.41	\$37.73	\$37.05	\$36.37	\$35.69
NY-Midtown South												
Vacancy Rate	8.9%	9.1%	8.5%	7.8%	7.7%	6.9%	6.4%	5.9%	5.4%	4.9%	4.4%	3.9%
Rent, \$/sf	\$39.79	\$39.88	\$39.71	\$40.24	\$40.84	\$41.87	\$42.18	\$42.78	\$43.41	\$44.04	\$44.67	\$45.30
Inventory	\$2,525,643	\$2,380,277	\$2,203,317	\$2,016,916	\$1,831,075	\$1,646,790	\$1,462,505	\$1,278,220	\$1,093,935	\$909,650	\$725,365	\$541,080
Occupied Inventory	\$6,867,880	\$6,867,880	\$6,867,880	\$6,867,880	\$6,867,880	\$6,867,880	\$6,867,880	\$6,867,880	\$6,867,880	\$6,867,880	\$6,867,880	\$6,867,880
NEW YORK-Midtown												
Vacancy Rate	7.9%	8.9%	9.0%	10.1%	10.8%	10.7%	10.2%	9.7%	9.2%	8.7%	8.2%	7.7%
Rent, \$/sf	\$29,222,222	\$29,000,078	\$28,777,924	\$28,555,770	\$28,333,616	\$28,111,462	\$27,889,308	\$27,667,154	\$27,444,999	\$27,222,845	\$27,000,691	\$26,778,537
Inventory	\$11,013,768	\$10,816,495	\$10,619,222	\$10,421,949	\$10,224,676	\$10,027,403	\$9,830,130	\$9,632,857	\$9,435,584	\$9,238,311	\$9,041,038	\$8,843,765
Occupied Inventory												
MANHATTAN												
Vacancy Rate	7.9%	8.9%	9.0%	10.1%	10.8%	10.7%	10.2%	9.7%	9.2%	8.7%	8.2%	7.7%
Rent, \$/sf	\$29,222,222	\$29,000,078	\$28,777,924	\$28,555,770	\$28,333,616	\$28,111,462	\$27,889,308	\$27,667,154	\$27,444,999	\$27,222,845	\$27,000,691	\$26,778,537
Inventory (M+MS)	\$1,741,865	\$1,741,865	\$1,741,865	\$1,741,865	\$1,741,865	\$1,741,865	\$1,741,865	\$1,741,865	\$1,741,865	\$1,741,865	\$1,741,865	\$1,741,865
Inventory (D)	\$6,136,417	\$6,136,417	\$6,136,417	\$6,136,417	\$6,136,417	\$6,136,417	\$6,136,417	\$6,136,417	\$6,136,417	\$6,136,417	\$6,136,417	\$6,136,417
Total Inventory	\$37,854,312	\$37,854,312	\$37,854,312	\$37,854,312	\$37,854,312	\$37,854,312	\$37,854,312	\$37,854,312	\$37,854,312	\$37,854,312	\$37,854,312	\$37,854,312
Occupied Inventory	\$35,784,144	\$35,784,144	\$35,784,144	\$35,784,144	\$35,784,144	\$35,784,144	\$35,784,144	\$35,784,144	\$35,784,144	\$35,784,144	\$35,784,144	\$35,784,144
Downtown/Manhattan Inv	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%
Downtown/Manhattan occ	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
Downtown/Manhattan vac	84.8%	84.8%	84.8%	84.8%	84.8%	84.8%	84.8%	84.8%	84.8%	84.8%	84.8%	84.8%
Historical MANHATTAN - CLS A												
60% Vacancy A	4.7%	5.9%	6.0%	6.3%	6.7%	6.5%	6.0%	5.5%	5.0%	4.5%	4.0%	3.5%
60% Inventory (M+MS) A	\$15,046,719	\$14,818,013	\$14,589,307	\$14,360,601	\$14,131,895	\$13,903,189	\$13,674,483	\$13,445,777	\$13,217,071	\$12,988,365	\$12,759,659	\$12,530,953
60% Inventory (D) A	\$7,381,865	\$7,381,865	\$7,381,865	\$7,381,865	\$7,381,865	\$7,381,865	\$7,381,865	\$7,381,865	\$7,381,865	\$7,381,865	\$7,381,865	\$7,381,865
Inventory A	\$23,730,567	\$23,730,567	\$23,730,567	\$23,730,567	\$23,730,567	\$23,730,567	\$23,730,567	\$23,730,567	\$23,730,567	\$23,730,567	\$23,730,567	\$23,730,567
Occupied A	\$21,884,134	\$21,884,134	\$21,884,134	\$21,884,134	\$21,884,134	\$21,884,134	\$21,884,134	\$21,884,134	\$21,884,134	\$21,884,134	\$21,884,134	\$21,884,134
Net Absorption A	\$1,846,433	\$1,846,433	\$1,846,433	\$1,846,433	\$1,846,433	\$1,846,433	\$1,846,433	\$1,846,433	\$1,846,433	\$1,846,433	\$1,846,433	\$1,846,433
10% Leasing activity (on Occupied)	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813
Supply	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813
Expanding Leases	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813
Change in Inventory	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813
Change in Inventory w/o WTC	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813
Supply w/o WTC	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813
Supply w WTC	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813
Expanding Leases/Rent	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813
TOTAL	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813	\$2,188,813

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As a consequence, vacancy rates in Downtown will most likely remain below ten percent if the WTC is rebuilt

**Historical and Forecasted Downtown Class A⁽¹⁾ Vacancy Rates
1995 – 2010E**



Note: (1) Downtown Class A vacancy projections are calculated using overall Downtown vacancy projections and adjusting them with a historical premium for Class A buildings (based on a 1995-2000 average)

Source: Cushman & Wakefield; A.T. Kearney analysis

Source: Baseline C&W projections, Manhattan, Forecast 2010.

Pessimistic Case - No WTC rebuild

	2001Q4	2002Q4	2003Q4	2004Q4	2005Q4	2006Q4	2007Q4	2008Q4	2009Q4	2010Q4
Office Using Employment - N	849,443	841,764	859,537	865,058	871,686	878,577	866,748	869,892	901,755	909,938
WTC Construction										
NEW YORK-Downtown										
Vacancy Rate	6.5%	12.5%	13.5%	13.1%	13.7%	12.9%	12.5%	11.9%	11.2%	10.6%
Rent, \$/sf	35.39	31.84	31.43	31.16	30.86	30.89	30.97	31.19	31.62	31.59
Inventory	96,135,447	95,944,316	96,752,573	95,561,212	96,970,233	98,778,437	97,332,653	97,537,536	97,342,607	97,148,068
Occupied Inventory	69,812,536	83,972,348	82,830,758	83,046,588	83,674,759	84,326,678	85,124,512	85,688,288	88,428,160	86,572,003
NY Downtown A										
60% Vacancy Rate	3.95%	7.49%	8.10%	7.86%	8.23%	7.72%	7.50%	7.17%	6.73%	6.35%
115% Rent, \$/sf	\$40.70	\$38.61	\$38.15	\$35.64	\$35.61	\$35.52	\$35.02	\$35.87	\$36.38	\$36.33
15% Price Premium	\$46.80	\$42.10	\$41.57	\$41.21	\$40.95	\$40.85	\$40.98	\$41.25	\$41.82	\$41.76
NY-Midtown South										
Vacancy Rate	8.7%	8.9%	9.1%	8.9%	7.8%	7.0%	6.2%	7.0%	7.0%	6.3%
Rent, \$/sf	40.00	39.79	38.98	39.71	40.24	41.13	42.25	43.21	44.14	45.29
Inventory	62,514,739	62,525,643	62,390,277	62,203,317	62,016,916	61,831,075	61,645,700	62,586,191	63,017,430	62,808,590
Occupied Inventory	57,075,957	56,967,850	56,699,889	56,822,289	57,165,706	57,478,811	57,804,750	58,203,668	58,985,545	58,855,502
NEW YORK-Midtown										
Vacancy Rate	7.9%	8.9%	9.0%	10.1%	10.0%	10.0%	9.7%	8.6%	7.9%	7.1%
Rent, \$/sf	52.87	52.17	52.60	53.26	53.77	54.32	54.68	55.17	55.59	56.76
Inventory	229,222,222	229,000,078	233,178,322	235,654,528	237,800,054	240,511,933	242,875,884	243,232,649	242,989,508	242,746,609
Occupied Inventory	211,010,768	208,516,495	212,224,076	211,935,394	214,127,132	216,408,703	219,201,128	221,874,368	223,735,914	225,597,580
MANHATTAN										
Vacancy Rate	7.7%	9.8%	10.1%	10.6%	10.5%	10.2%	9.8%	9.3%	8.6%	7.8%
Rent, \$/sf	46.52	45.14	45.40	45.75	46.08	46.59	47.03	47.52	48.01	48.90
Inventory	387,873,408	387,473,039	391,321,173	383,419,050	396,790,203	399,119,446	401,854,329	403,338,376	403,349,544	402,723,267
Occupied Inventory	357,902,261	349,455,703	351,754,722	351,907,281	354,957,637	358,214,191	362,130,390	365,965,202	368,749,638	371,235,064
Downtown / Manhattan Inv	24.8%	24.8%	24.5%	24.3%	24.4%	24.2%	24.2%	24.2%	24.1%	24.1%
Downtown / Manhattan occ	42.6%	40.3%	39.0%	39.2%	39.1%	39.0%	38.8%	38.7%	38.5%	38.4%
Downtown / Manhattan vac	65.1%	127.2%	133.5%	124.1%	130.1%	125.6%	126.9%	128.9%	130.7%	135.7%
MANHATTAN - CLS A										
60% Vacancy A	4.6%	5.9%	6.1%	6.3%	6.3%	6.1%	5.9%	5.6%	5.1%	4.7%
60% Inventory A	232,724,045	232,483,624	234,792,704	236,051,433	238,071,122	238,471,667	241,112,597	242,001,828	242,009,726	241,833,960
Change in Inventory A	(240,221)	(240,221)	2,308,880	1,258,000	2,032,888	1,397,548	1,640,930	889,228	7,901	(375,766)
Occupied A	221,934,432	218,797,943	220,548,182	221,107,195	223,017,938	224,745,778	228,811,979	228,548,563	229,553,760	230,330,607
Net Absorption A		(13,136,489)	1,750,839	568,410	1,918,803	1,727,778	2,068,204	1,738,584	1,005,197	778,847
10% Leasing activity for Occupied	22,193,443	21,879,794	22,054,878	22,110,719	22,301,800	22,474,578	22,681,198	22,854,858	22,955,376	23,033,061

Use
Average
24.1%
24.4%
25%
38.5%
39.4%
40%
135.7%
124.8%
126%

EDSSR 000584

Source: Baseline C&W projections, Manhattan_Forecast2010.

Optimistic Case - No WTC rebuild

Office Using Employment W	2001Q4	2002Q4	2003Q4	2004Q4	2005Q4	2006Q4	2007Q4	2008Q4	2009Q4	2010Q4	2011Q4	2012Q4	2013Q4	2014Q4	2015Q4	2016Q4	2017Q4	2018Q4	2019Q4	2020Q4	2021Q4	2022Q4	2023Q4	2024Q4	2025Q4	2026Q4	2027Q4	2028Q4	2029Q4	2030Q4	2031Q4	2032Q4	2033Q4	2034Q4	2035Q4	2036Q4	2037Q4	2038Q4	2039Q4	2040Q4	2041Q4	2042Q4	2043Q4	2044Q4	2045Q4	2046Q4	2047Q4	2048Q4	2049Q4	2050Q4	2051Q4	2052Q4	2053Q4	2054Q4	2055Q4	2056Q4	2057Q4	2058Q4	2059Q4	2060Q4	2061Q4	2062Q4	2063Q4	2064Q4	2065Q4	2066Q4	2067Q4	2068Q4	2069Q4	2070Q4	2071Q4	2072Q4	2073Q4	2074Q4	2075Q4	2076Q4	2077Q4	2078Q4	2079Q4	2080Q4	2081Q4	2082Q4	2083Q4	2084Q4	2085Q4	2086Q4	2087Q4	2088Q4	2089Q4	2090Q4	2091Q4	2092Q4	2093Q4	2094Q4	2095Q4	2096Q4	2097Q4	2098Q4	2099Q4	2100Q4	2101Q4	2102Q4	2103Q4	2104Q4	2105Q4	2106Q4	2107Q4	2108Q4	2109Q4	2110Q4	2111Q4	2112Q4	2113Q4	2114Q4	2115Q4	2116Q4	2117Q4	2118Q4	2119Q4	2120Q4	2121Q4	2122Q4	2123Q4	2124Q4	2125Q4	2126Q4	2127Q4	2128Q4	2129Q4	2130Q4	2131Q4	2132Q4	2133Q4	2134Q4	2135Q4	2136Q4	2137Q4	2138Q4	2139Q4	2140Q4	2141Q4	2142Q4	2143Q4	2144Q4	2145Q4	2146Q4	2147Q4	2148Q4	2149Q4	2150Q4	2151Q4	2152Q4	2153Q4	2154Q4	2155Q4	2156Q4	2157Q4	2158Q4	2159Q4	2160Q4	2161Q4	2162Q4	2163Q4	2164Q4	2165Q4	2166Q4	2167Q4	2168Q4	2169Q4	2170Q4	2171Q4	2172Q4	2173Q4	2174Q4	2175Q4	2176Q4	2177Q4	2178Q4	2179Q4	2180Q4	2181Q4	2182Q4	2183Q4	2184Q4	2185Q4	2186Q4	2187Q4	2188Q4	2189Q4	2190Q4	2191Q4	2192Q4	2193Q4	2194Q4	2195Q4	2196Q4	2197Q4	2198Q4	2199Q4	2200Q4	2201Q4	2202Q4	2203Q4	2204Q4	2205Q4	2206Q4	2207Q4	2208Q4	2209Q4	2210Q4	2211Q4	2212Q4	2213Q4	2214Q4	2215Q4	2216Q4	2217Q4	2218Q4	2219Q4	2220Q4	2221Q4	2222Q4	2223Q4	2224Q4	2225Q4	2226Q4	2227Q4	2228Q4	2229Q4	2230Q4	2231Q4	2232Q4	2233Q4	2234Q4	2235Q4	2236Q4	2237Q4	2238Q4	2239Q4	2240Q4	2241Q4	2242Q4	2243Q4	2244Q4	2245Q4	2246Q4	2247Q4	2248Q4	2249Q4	2250Q4	2251Q4	2252Q4	2253Q4	2254Q4	2255Q4	2256Q4	2257Q4	2258Q4	2259Q4	2260Q4	2261Q4	2262Q4	2263Q4	2264Q4	2265Q4	2266Q4	2267Q4	2268Q4	2269Q4	2270Q4	2271Q4	2272Q4	2273Q4	2274Q4	2275Q4	2276Q4	2277Q4	2278Q4	2279Q4	2280Q4	2281Q4	2282Q4	2283Q4	2284Q4	2285Q4	2286Q4	2287Q4	2288Q4	2289Q4	2290Q4	2291Q4	2292Q4	2293Q4	2294Q4	2295Q4	2296Q4	2297Q4	2298Q4	2299Q4	2300Q4	2301Q4	2302Q4	2303Q4	2304Q4	2305Q4	2306Q4	2307Q4	2308Q4	2309Q4	2310Q4	2311Q4	2312Q4	2313Q4	2314Q4	2315Q4	2316Q4	2317Q4	2318Q4	2319Q4	2320Q4	2321Q4	2322Q4	2323Q4	2324Q4	2325Q4	2326Q4	2327Q4	2328Q4	2329Q4	2330Q4	2331Q4	2332Q4	2333Q4	2334Q4	2335Q4	2336Q4	2337Q4	2338Q4	2339Q4	2340Q4	2341Q4	2342Q4	2343Q4	2344Q4	2345Q4	2346Q4	2347Q4	2348Q4	2349Q4	2350Q4	2351Q4	2352Q4	2353Q4	2354Q4	2355Q4	2356Q4	2357Q4	2358Q4	2359Q4	2360Q4	2361Q4	2362Q4	2363Q4	2364Q4	2365Q4	2366Q4	2367Q4	2368Q4	2369Q4	2370Q4	2371Q4	2372Q4	2373Q4	2374Q4	2375Q4	2376Q4	2377Q4	2378Q4	2379Q4	2380Q4	2381Q4	2382Q4	2383Q4	2384Q4	2385Q4	2386Q4	2387Q4	2388Q4	2389Q4	2390Q4	2391Q4	2392Q4	2393Q4	2394Q4	2395Q4	2396Q4	2397Q4	2398Q4	2399Q4	2400Q4	2401Q4	2402Q4	2403Q4	2404Q4	2405Q4	2406Q4	2407Q4	2408Q4	2409Q4	2410Q4	2411Q4	2412Q4	2413Q4	2414Q4	2415Q4	2416Q4	2417Q4	2418Q4	2419Q4	2420Q4	2421Q4	2422Q4	2423Q4	2424Q4	2425Q4	2426Q4	2427Q4	2428Q4	2429Q4	2430Q4	2431Q4	2432Q4	2433Q4	2434Q4	2435Q4	2436Q4	2437Q4	2438Q4	2439Q4	2440Q4	2441Q4	2442Q4	2443Q4	2444Q4	2445Q4	2446Q4	2447Q4	2448Q4	2449Q4	2450Q4	2451Q4	2452Q4	2453Q4	2454Q4	2455Q4	2456Q4	2457Q4	2458Q4	2459Q4	2460Q4	2461Q4	2462Q4	2463Q4	2464Q4	2465Q4	2466Q4	2467Q4	2468Q4	2469Q4	2470Q4	2471Q4	2472Q4	2473Q4	2474Q4	2475Q4	2476Q4	2477Q4	2478Q4	2479Q4	2480Q4	2481Q4	2482Q4	2483Q4	2484Q4	2485Q4	2486Q4	2487Q4	2488Q4	2489Q4	2490Q4	2491Q4	2492Q4	2493Q4	2494Q4	2495Q4	2496Q4	2497Q4	2498Q4	2499Q4	2500Q4	2501Q4	2502Q4	2503Q4	2504Q4	2505Q4	2506Q4	2507Q4	2508Q4	2509Q4	2510Q4	2511Q4	2512Q4	2513Q4	2514Q4	2515Q4	2516Q4	2517Q4	2518Q4	2519Q4	2520Q4	2521Q4	2522Q4	2523Q4	2524Q4	2525Q4	2526Q4	2527Q4	2528Q4	2529Q4	2530Q4	2531Q4	2532Q4	2533Q4	2534Q4	2535Q4	2536Q4	2537Q4	2538Q4	2539Q4	2540Q4	2541Q4	2542Q4	2543Q4	2544Q4	2545Q4	2546Q4	2547Q4	2548Q4	2549Q4	2550Q4	2551Q4	2552Q4	2553Q4	2554Q4	2555Q4	2556Q4	2557Q4	2558Q4	2559Q4	2560Q4	2561Q4	2562Q4	2563Q4	2564Q4	2565Q4	2566Q4	2567Q4	2568Q4	2569Q4	2570Q4	2571Q4	2572Q4	2573Q4	2574Q4	2575Q4	2576Q4	2577Q4	2578Q4	2579Q4	2580Q4	2581Q4	2582Q4	2583Q4	2584Q4	2585Q4	2586Q4	2587Q4	2588Q4	2589Q4	2590Q4	2591Q4	2592Q4	2593Q4	2594Q4	2595Q4	2596Q4	2597Q4	2598Q4	2599Q4	2600Q4	2601Q4	2602Q4	2603Q4	2604Q4	2605Q4	2606Q4	2607Q4	2608Q4	2609Q4	2610Q4	2611Q4	2612Q4	2613Q4	2614Q4	2615Q4	2616Q4	2617Q4	2618Q4	2619Q4	2620Q4	2621Q4	2622Q4	2623Q4	2624Q4	2625Q4	2626Q4	2627Q4	2628Q4	2629Q4	2630Q4	2631Q4	2632Q4	2633Q4	2634Q4	2635Q4	2636Q4	2637Q4	2638Q4	2639Q4	2640Q4	2641Q4	2642Q4	2643Q4	2644Q4	2645Q4	2646Q4	2647Q4	2648Q4	2649Q4	2650Q4	2651Q4	2652Q4	2653Q4	2654Q4	2655Q4	2656Q4	2657Q4	2658Q4	2659Q4	2660Q4	2661Q4	2662Q4	2663Q4	2664Q4	2665Q4	2666Q4	2667Q4	2668Q4	2669Q4	2670Q4	2671Q4	2672Q4	2673Q4	2674Q4	2675Q4	2676Q4	2677Q4	2678Q4	2679Q4	2680Q4	2681Q4	2682Q4	2683Q4	2684Q4	2685Q4	2686Q4	2687Q4	2688Q4	2689Q4	2690Q4	2691Q4	2692Q4	2693Q4	2694Q4	2695Q4	2696Q4	2697Q4	2698Q4	2699Q4	2700Q4	2701Q4	2702Q4	2703Q4	2704Q4	2705Q4	2706Q4	2707Q4	2708Q4	2709Q4	2710Q4	2711Q4	2712Q4	2713Q4	2714Q4	2715Q4	2716Q4	2717Q4	2718Q4	2719Q4	2720Q4	2721Q4	2722Q4	2723Q4	2724Q4	2725Q4	2726Q4	2727Q4	2728Q4	2729Q4	2730Q4	2731Q4	2732Q4	2733Q4	2734Q4	2735Q4	2736Q4	2737Q4	2738Q4	2739Q4	2740Q4	2741Q4	2742Q4	2743Q4	2744Q4	2745Q4	2746Q4	2747Q4	2748Q4	2749Q4	2750Q4	2751Q4	2752Q4	2753Q4	2754Q4	2755Q4	2756Q4	2757Q4	2758Q4	2759Q4	2760Q4	2761Q4	2762Q4	2763Q4	2764Q4	2765Q4	2766Q4	2767Q4	2768Q4	2769Q4	2770Q4	2771Q4	2772Q4	2773Q4	2774Q4	2775Q4	2776Q4	2777Q4	2778Q4	2779Q4	2780Q4	2781Q4	2782Q4	2783Q4	2784Q4	2785Q4	2786Q4	2787Q4	2788Q4	2789Q4	2790Q4	2791Q4	2792Q4	2793Q4	2794Q4	2795Q4	2796Q4	2797Q4	2798Q4	2799Q4	2800Q4	2801Q4	2802Q4	2803Q4	2804Q4	2805Q4	2806Q4	2807Q4	2808Q4	2809Q4	2810Q4	2811Q4	2812Q4	2813Q4	2814Q4	2815Q4	2816Q4	2817Q4	2818Q4	2819Q4	2820Q4	2821Q4	2822Q4	2823Q4	2824Q4	2825Q4	2826Q4	2827Q4	2828Q4	2829Q4	2830Q4	2831Q4	2832Q4	2833Q4	2834Q4	2835Q4	2836Q4	2837Q4	2838Q4	2839Q4	2840Q4	2841Q4	2842Q4	2843Q4	2844Q4	2845Q4	2846Q4	2847Q4	2848Q4	2849Q4	2850Q4	2851Q4	2852Q4	2853Q4	2854Q4	2855Q4	2856Q4	2857Q4	2858Q4	2859Q4	2860Q4	2861Q4	2862Q4	2863Q4	2864Q4	2865Q4	2866Q4	2867Q4	2868Q4	2869Q4	2870Q4	2871Q4	2872Q4	2873Q4	2874Q4	2875Q4	2876Q4	2877Q4	2878Q4	2879Q4	2880Q4	2881Q4	2882Q4	2883Q4	2884Q4	2885Q4	2886Q4	2887Q4	2888Q4	2889Q4	2890Q4	2891Q4	2892Q4	2893Q4	2894Q4	2895Q4	2896Q4	2897Q4	2898Q4	2899Q4	2900Q4	2901Q4	2902Q4	2903Q4	2904Q4	2905Q4	2906Q4	2907Q4	2908Q4	2909Q4	2910Q4	2911Q4	2912Q4	2913Q4	2914Q4	2915Q4	2916Q4	2917Q4	2918Q4	2919Q4	2920Q4	2921Q4	2922Q4	2923Q4	2924Q4	2925Q4	2926Q4	2927Q4	2928Q4	2929Q4	2930Q4	2931Q4	2932Q4	2933Q4	2934Q4	2935Q4	2936Q4	2937Q4	2938Q4	2939Q4	2940Q4	2941Q4	2942Q4	2943Q4	2944Q4	2945Q4	2946Q4	2947Q4	2948Q4	2949Q4	2950Q4	2951Q4	2952Q4	2953Q4	2954Q4	2955Q4	2956Q4	2957Q4	2958Q4	2959Q4	2960Q4	2961Q4	2962Q4	2963Q4	2964Q4	2965Q4	2966Q4	2967Q4	2968Q4	2969Q4	2970Q4	2971Q4	2972Q4	2973Q4	2974Q4	2975Q4	2976Q4	2977Q4	2978Q4	2979Q4	2980Q4	2981Q4	2982Q4	2983Q4	2984Q4	2985Q4	2986Q4	2987Q4	2988Q4	2989Q4	2990Q4	2991Q4	2992Q4	2993Q4	2994Q4	2995Q4	2996Q4	2997Q4	2998Q4	2999Q4	3000Q4	3001Q4	3002Q4	3003Q4	3004Q4	3005Q4	3006Q4	3007Q4	3008Q4	3009Q4	3010Q4	3011Q4	3012Q4	3013Q4	3014Q4	3015Q4	3016Q4	3017Q4	3018Q4	3019Q4	3020Q4	3021Q4	3022Q4	3023Q4	3024Q4	3025Q4	3026Q4	3027Q4	3028Q4	3029Q4	3030Q4	3031Q4	3032Q4	3033Q4	3034Q4	3035Q4	3036Q4	3037Q4	3038Q4	3039Q4	3040Q4	3041Q4	3042Q4	3043Q4	3044Q4	3045Q4	3046Q4	3047Q4	3048Q4	3049Q4	3050Q4	3051Q4	3052Q4	3053Q4	3054Q4	3055Q4	3056Q4	3057Q4	3058Q4	3059Q4	3060Q4	3061Q4	3062Q4	3063Q4	3064Q4	3065Q4	3066Q4	3067Q4	3068Q4	3069Q4	3070Q4	3071Q4	3072Q4	3073Q4	3074Q4	3075Q4	3076Q4	3077Q4	3078Q4	3079Q4	3080Q4	3081Q4	3082Q4	3083Q4	3084Q4	3085Q4	3086Q4	3087Q4	3088Q4	3089Q4	3090Q4	3091Q4	3092Q4	3093Q4	3094Q4	3095Q4	3096Q4	3097Q4	3098Q4	3099Q4	3100Q4	3101Q4	3102Q4	3103Q4	3104Q4	3105Q4	3106Q4	3107Q4	3108Q4	3109Q4	3110Q4	3111Q4	3112Q4	3113Q4	3114Q4	3115Q4	3116Q4	3117Q4	3118Q4	3119Q4	3120Q4	3121Q4	3122Q4	3123Q4	3124Q4	31
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[illegible]

Source: Baseline C&W Projections, Manhattan, Forecast 2010.

Optimistic Case - New Slow WTC Rebuild

	2001Q4	2002Q4	2003Q4	2004Q4	2005Q4	2006Q4	2007Q4	2008Q4	2009Q4	2010Q4	2011Q4	2012Q4
	Office Using Employment - 1	WTC Construction	NEW YORK-Downtown	Manhattan	Manhattan	Manhattan	Manhattan	Manhattan	Manhattan	Manhattan	Manhattan	Manhattan
Office Using Employment - 1	642,443	642,443	642,443	642,443	642,443	642,443	642,443	642,443	642,443	642,443	642,443	642,443
WTC Construction												
NEW YORK-Downtown												
Vacancy Rate	35.40	35.40	35.40	35.40	35.40	35.40	35.40	35.40	35.40	35.40	35.40	35.40
Rent, \$/sq	\$8,136,447	\$8,136,447	\$8,136,447	\$8,136,447	\$8,136,447	\$8,136,447	\$8,136,447	\$8,136,447	\$8,136,447	\$8,136,447	\$8,136,447	\$8,136,447
Inventory	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338
Occupied Inventory	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338	89,379,338
NY Downtown A												
60% Vacancy Rate	38.4%	38.4%	38.4%	38.4%	38.4%	38.4%	38.4%	38.4%	38.4%	38.4%	38.4%	38.4%
10% Rent, \$/sq	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71
15% Price Premium	\$40.81	\$40.81	\$40.81	\$40.81	\$40.81	\$40.81	\$40.81	\$40.81	\$40.81	\$40.81	\$40.81	\$40.81
NY Downtown South												
Vacancy Rate	39.6%	39.6%	39.6%	39.6%	39.6%	39.6%	39.6%	39.6%	39.6%	39.6%	39.6%	39.6%
Rent, \$/sq	\$8,255,643	\$8,255,643	\$8,255,643	\$8,255,643	\$8,255,643	\$8,255,643	\$8,255,643	\$8,255,643	\$8,255,643	\$8,255,643	\$8,255,643	\$8,255,643
Inventory	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201
Occupied Inventory	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201	57,051,201
NEW YORK-Midtown												
Vacancy Rate	53.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00
Rent, \$/sq	\$22,222,222	\$22,222,222	\$22,222,222	\$22,222,222	\$22,222,222	\$22,222,222	\$22,222,222	\$22,222,222	\$22,222,222	\$22,222,222	\$22,222,222	\$22,222,222
Inventory	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576
Occupied Inventory	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576	211,180,576
MANHATTAN												
Vacancy Rate	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%
Rent, \$/sq	\$21,747,450	\$21,747,450	\$21,747,450	\$21,747,450	\$21,747,450	\$21,747,450	\$21,747,450	\$21,747,450	\$21,747,450	\$21,747,450	\$21,747,450	\$21,747,450
Inventory (M + MS)	291,747,450	291,747,450	291,747,450	291,747,450	291,747,450	291,747,450	291,747,450	291,747,450	291,747,450	291,747,450	291,747,450	291,747,450
Inventory (D)	98,136,412	98,136,412	98,136,412	98,136,412	98,136,412	98,136,412	98,136,412	98,136,412	98,136,412	98,136,412	98,136,412	98,136,412
Total Inventory	389,883,862	389,883,862	389,883,862	389,883,862	389,883,862	389,883,862	389,883,862	389,883,862	389,883,862	389,883,862	389,883,862	389,883,862
Occupied Inventory	358,211,170	358,211,170	358,211,170	358,211,170	358,211,170	358,211,170	358,211,170	358,211,170	358,211,170	358,211,170	358,211,170	358,211,170
Downtown/Manhattan Inv	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%
Downtown/Manhattan occ	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
Downtown/Manhattan vac	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%
MANHATTAN - CLS A												
80% Vacancy A	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
80% Inventory (M + MS) A	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718
80% Inventory (D) A	57,561,680	57,561,680	57,561,680	57,561,680	57,561,680	57,561,680	57,561,680	57,561,680	57,561,680	57,561,680	57,561,680	57,561,680
Inventory A	232,610,398	232,610,398	232,610,398	232,610,398	232,610,398	232,610,398	232,610,398	232,610,398	232,610,398	232,610,398	232,610,398	232,610,398
Change in Inventory A	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)
Occupied A	222,046,258	222,046,258	222,046,258	222,046,258	222,046,258	222,046,258	222,046,258	222,046,258	222,046,258	222,046,258	222,046,258	222,046,258
Net Absorption A	(2,241,632)	(2,241,632)	(2,241,632)	(2,241,632)	(2,241,632)	(2,241,632)	(2,241,632)	(2,241,632)	(2,241,632)	(2,241,632)	(2,241,632)	(2,241,632)
10% Leasing Activity (on Occup)	21,980,622	21,980,622	21,980,622	21,980,622	21,980,622	21,980,622	21,980,622	21,980,622	21,980,622	21,980,622	21,980,622	21,980,622
Supply	22,204,628	22,204,628	22,204,628	22,204,628	22,204,628	22,204,628	22,204,628	22,204,628	22,204,628	22,204,628	22,204,628	22,204,628
Expanding Market												
Change in Inventory	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718	175,048,718
Change in Inventory w/o WTC	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)	(327,693)
Supply w/o WTC	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312
Supply w WTC	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312	23,894,312
Expanding Leasing Rate	21.35	21.35	21.35	21.35	21.35	21.35	21.35	21.35	21.35	21.35	21.35	21.35
TOTAL	23.69	23.69	23.69	23.69	23.69	23.69	23.69	23.69	23.69	23.69	23.69	23.69

EDSSR 000587

Base Case

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Rent	\$40.70	\$36.61	\$35.15	\$33.84	\$33.81	\$33.52	\$33.82	\$33.67	\$36.30	\$36.33
Pass	\$40.70	\$37.22	\$37.83	\$37.81	\$37.99	\$38.22	\$38.44	\$41.00	\$42.86	\$45.97
Opt	\$40.70	\$36.82	\$36.89	\$36.87	\$36.80	\$36.82	\$37.41	\$38.23	\$39.31	\$40.65

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Diff Opt Pass	0.1	0.5	0.5	0.5	0.5	0.43259822	0.4829988	0.4826537	0.4826537	0.44818858

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Rent	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Optimist	35.40	32.97	32.72	32.95	32.86	33.26	33.12	32.68	32.44	32.56
Passimist	36.39	31.84	31.43	31.16	30.50	30.07	29.33	28.26	26.88	25.35
D-O-P	0.01	0.53	1.29	1.79	2.30	3.19	3.79	4.44	5.56	7.22
D* Diff B-P	0.00	0.27	0.64	0.49	1.15	1.54	1.78	2.04	2.52	3.24
Base	35.39	32.10	32.08	32.06	31.74	31.81	31.11	30.28	29.40	28.59
Base*1.15	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Less Changes										
Optimist		24.22	16.80	21.35	19.40	22.07	19.18	20.73	21.74	22.06
Passimist		25.10	20.14	21.55	19.70	21.50	19.51	21.27	21.80	22.01
D-O-P		(0.87)	(1.54)	(0.20)	(0.10)	0.56	(0.33)	(0.54)	(0.16)	0.06
D* Diff B-P		(0.44)	(0.77)	(0.10)	(0.09)	0.28	(0.18)	(0.25)	(0.07)	0.03
Base		24.06	19.37	21.45	19.66	21.78	19.30	21.02	21.63	22.04

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Change in Inventory										
Optimist		(0.33)	2.28	1.26	2.02	0.60	2.56	0.24	(1.02)	(1.39)
Passimist		(0.33)	2.28	1.26	2.02	0.60	2.56	0.24	(1.02)	(1.39)
D-O-P		-	-	-	-	-	0.28	0.64	0.37	(0.00)
D* Diff B-P		-	-	-	-	-	0.12	0.20	0.17	(0.00)
Base		(0.33)	2.28	1.26	2.02	0.60	2.42	(0.10)	(1.32)	(1.38)

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Manhattan Class A pre Supply (w/o vacancy)	24.33	21.65	22.71	21.47	22.37	21.78	20.69	20.61	20.65	
Manhattan Class A pre Supply (w/ vacancy)	24.33	21.65	22.71	21.47	22.37	21.78	20.69	20.61	20.65	
Manhattan Class A pre Supply (w/ vacancy)	13.16	12.81	13.00	14.11	13.89	15.19	15.41	15.16	14.79	
Manhattan Class A pre Supply (w/ vacancy)	37.50	34.26	35.71	37.78	36.26	36.98	36.83	36.27	37.94	

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Manhattan Class A (with WTC Rebuild)										
Leasing Activity	22.19	21.92	22.21	22.29	22.58	22.67	23.05	23.25	23.40	23.55
Vacancy	10.83	13.16	12.61	13.00	14.11	13.89	15.19	15.41	15.16	14.79
Total	33.02	35.08	34.82	35.32	36.70	36.55	38.22	38.63	38.56	38.34
Manhattan Class A (with WTC Rebuild)										
Vacancy at beginning of year	10.83	13.16	12.61	13.00	14.11	13.89	15.19	15.41	15.16	14.79
Expiring leases	24.86	19.37	21.45	18.65	21.78	19.36	21.02	21.83	22.04	
Change in Inventory	(0.33)	2.28	1.26	2.02	0.60	2.56	0.24	(1.02)	(1.39)	
Total	35.16	34.82	35.32	36.70	36.45	38.17	38.61	38.61	38.30	

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Leasing Activity										
Optimist	22.20	21.96	22.06	22.47	22.79	22.87	23.28	23.56	23.76	23.95
Passimist	22.19	21.87	22.06	22.11	22.38	22.48	22.81	22.96	23.10	23.22
D-O-P	0.02	0.11	0.00	0.35	0.40	0.38	0.47	0.64	0.66	0.72
D* Diff B-P	-	0.04	0.16	0.16	0.20	0.19	0.22	0.27	0.50	0.32
Base	22.19	21.92	22.21	22.29	22.58	22.67	23.00	23.25	23.40	23.55

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Vacancy - Downtown Class A	3.6%	6.8%	7.1%	6.5%	7.5%	6.4%	6.5%	6.5%	6.4%	6.1%
Optimist	3.6%	7.5%	8.1%	7.5%	8.9%	8.4%	9.0%	9.4%	9.7%	10.0%
Passimist	-0.1%	-0.6%	-1.0%	-1.3%	-1.4%	-1.7%	-2.4%	-2.8%	-3.2%	-3.8%
D-O-P	0.0%	-0.3%	-0.5%	-0.8%	-0.7%	-0.8%	-1.1%	-1.3%	-1.5%	-1.7%
D* Diff B-P	3.6%	7.2%	7.6%	7.2%	8.2%	7.6%	7.8%	8.0%	8.2%	8.2%

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Vacancy - Manhattan Class A	4.6%	5.4%	4.7%	4.6%	5.0%	4.9%	5.2%	5.1%	4.9%	4.8%
Optimist	4.7%	5.9%	6.5%	6.5%	6.7%	6.5%	7.0%	7.1%	7.1%	7.0%
Passimist	-0.1%	-0.5%	-1.3%	-1.2%	-1.7%	-1.6%	-1.6%	-2.0%	-2.4%	-2.4%
D-O-P	0.0%	-0.2%	-0.6%	-0.7%	-0.8%	-0.8%	-0.8%	-0.9%	-1.0%	-1.1%
D* Diff B-P	4.7%	5.7%	6.4%	6.5%	6.9%	6.8%	7.2%	7.2%	7.1%	6.9%

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Inventory - Manhattan Class A										
Optimist	232,731	232,403	234,681	235,340	239,962	240,557	245,619	246,361	249,845	250,864
Passimist	232,731	232,403	234,681	235,340	239,962	240,557	245,358	247,459	248,574	249,686
D-O-P	-	-	-	-	-	-	261	902	1,271	1,209
D* Diff B-P	-	-	-	-	-	-	123	415	677	569
Base	232,731	232,403	234,681	235,340	239,962	240,557	245,481	247,873	249,150	250,254

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Expiring Leases										
Optimist	24.22	19.60	21.35	19.60	22.07	19.18	20.73	21.74	22.06	
Passimist	25.10	20.14	21.55	19.70	21.50	19.51	21.27	21.80	22.01	
D-O-P	(0)	(0)	(0)	(0)	1	(0)	(1)	(0)	0	
D* Diff B-P	(0)	(0)	(0)	(0)	0	(0)	(0)	(0)	0	
Base	24.7	19.4	21.4	19.6	21.8	19.4	21.0	21.8	22.0	

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Absorption										
Optimist	1.00	22.4	22.8	4.5%	4.4%	21.40	21.80			
Passimist	1.00	22.5	22.9	4.4%	4.4%	21.50	21.90			
D-O-P	1.00	22.8	23.3	4.4%	4.3%	21.80	22.30			
D* Diff B-P	2.50	23	23.6	9.6%	9.3%	20.80	21.40			
Base	2.50	23.1	23.8	10.6%	10.5%	20.60	21.30			

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Vacancy - Downtown Class A NO REBUILD										
Optimist	6.93%	7.00%	6.58%	6.43%	5.90%	4.73%	3.61%	2.91%	1.88%	
Passimist	7.48%	6.10%	7.80%	8.23%	7.72%	7.53%	7.17%	6.73%	6.35%	
D-O-P	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
D* Diff B-P	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
Base	7.21%	7.56%	7.22%	7.13%	6.87%	6.21%	6.62%	4.99%	4.58%	

Year	01E	02E	03E	04E	05E	06E	07E	08E	09E	10E
Rent - Downtown, NO REBUILD										
Optimist	\$17.22	\$17.83	\$17.89	\$17.99	\$18.22	\$18.44	\$18.00	\$18.86	\$19.97	
Passimist	\$16.61	\$16.15	\$16.64	\$16.61	\$16.52	\$16.82	\$16.67	\$16.36	\$16.33	
D-O-P	0	1	1	2	3	1	5	7	10	
D* Diff B-P	0	1	1	1	1	2	2	3	4	
Base	\$16.62	\$16.88	\$16.67	\$16.60	\$16.82	\$17.41	\$16.21	\$16.31	\$16.65	

← Rebuilding

← No Rebuilding

Depending on prevailing market conditions and the pace of economic recovery, the expected rental prices for WTC could range between \$32 and \$44 per square foot in 2010, given the historical premium of ten to twenty percent for premier properties⁽¹⁾

10% WTC Premium⁽²⁾

	2007		2010	
	Market Price	WTC Price	Market Price	WTC Price
Economic Scenario				
Pessimistic	\$33.73	\$37.10	\$29.15	\$32.07
Base	\$35.78	\$39.36	\$32.88	\$36.17
Optimistic	\$38.08	\$41.89	\$37.46	\$41.21

15% WTC Premium⁽²⁾

	2007		2010	
	Market Price	WTC Price	Market Price	WTC Price
Economic Scenario				
Pessimistic	\$33.73	\$38.79	\$29.15	\$33.52
Base	\$35.78	\$41.15	\$32.88	\$37.81
Optimistic	\$38.08	\$43.79	\$37.46	\$43.08

20% WTC Premium⁽²⁾

	2007		2010	
	Market Price	WTC Price	Market Price	WTC Price
Economic Scenario				
Pessimistic	\$33.73	\$40.48	\$29.15	\$34.98
Base	\$35.78	\$42.94	\$32.88	\$39.46
Optimistic	\$38.08	\$45.70	\$37.46	\$44.95

Note: (1) Average for Class A in Downtown

(2) The 1994 – 2000 pricing premium analysis of the four top rentals in each year suggests that premier buildings tend to capture 10 to 20 percent market premium over the average market prices

Source: Cushman & Wakefield; A.T. Kearney analysis

A.T. Kearney 1719329-cj 18

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Price Premium

Market prices to Class A

	Midtown		Downtown		4 bldg		Premium	
	2001	2001	2001	2001	2001	2001	2001	2001
51 W 32nd	\$ 100.00	140 Broadway	\$ 55.00	140 Broadway	\$ 55.00	140 Broadway	\$ 55.00	140 Broadway
60 Madison	\$ 100.00	1 WFC	\$ 55.00	1 WFC	\$ 55.00	1 WFC	\$ 55.00	1 WFC
80 Madison	\$ 100.00	2 WFC	\$ 55.00	2 WFC	\$ 55.00	2 WFC	\$ 55.00	2 WFC
9 W 57th	\$ 67.00	One Liberty	\$ 54.00	One Liberty	\$ 54.00	One Liberty	\$ 54.00	One Liberty
153 E 50th	\$ 65.00	Financial Square	\$ 50.75	Financial Square	\$ 50.75	Financial Square	\$ 50.75	Financial Square
AVERAGE	\$ 52.70	Average top 4	\$ 54.50	Average top 4	\$ 54.50	Average top 4	\$ 54.50	Average top 4
Market Price	\$ 52.90	Market Price	\$ 47.30	Market Price	\$ 47.30	Market Price	\$ 47.30	Market Price
Premium	35.4%	Premium	13.7%	Premium	13.7%	Premium	13.7%	Premium
1999		1999		1999		1999		1999
51 W 32nd	\$ 80.00	33 Madison	\$ 47.00	33 Madison	\$ 47.00	33 Madison	\$ 47.00	33 Madison
287 Fish	\$ 80.00	One North End	\$ 45.00	One North End	\$ 45.00	One North End	\$ 45.00	One North End
600 Madison	\$ 79.00	1 WFC	\$ 43.00	1 WFC	\$ 43.00	1 WFC	\$ 43.00	1 WFC
712 Fish	\$ 78.00	2 WFC	\$ 41.75	2 WFC	\$ 41.75	2 WFC	\$ 41.75	2 WFC
300 Park	\$ 75.00	140 Broadway	\$ 41.50	140 Broadway	\$ 41.50	140 Broadway	\$ 41.50	140 Broadway
AVERAGE	\$ 78.14	Average top 4	\$ 44.40	Average top 4	\$ 44.40	Average top 4	\$ 44.40	Average top 4
Market Price	\$ 49.78	Market Price	\$ 44.40	Market Price	\$ 44.40	Market Price	\$ 44.40	Market Price
Premium	37.0%	Premium	12.0%	Premium	12.0%	Premium	12.0%	Premium
1998		1998		1998		1998		1998
787 Fish	\$ 72.00	2 WFC	\$ 44.50	2 WFC	\$ 44.50	2 WFC	\$ 44.50	2 WFC
10 E 50th	\$ 70.00	140 Broadway	\$ 42.89	140 Broadway	\$ 42.89	140 Broadway	\$ 42.89	140 Broadway
1345 Ave of A	\$ 70.00	One Liberty	\$ 41.25	One Liberty	\$ 41.25	One Liberty	\$ 41.25	One Liberty
712 Fish	\$ 67.21	NY Tel Square	\$ 40.00	NY Tel Square	\$ 40.00	NY Tel Square	\$ 40.00	NY Tel Square
9 W 57th	\$ 65.00	Financial Square	\$ 39.00	Financial Square	\$ 39.00	Financial Square	\$ 39.00	Financial Square
AVERAGE	\$ 69.20	Average top 4	\$ 42.11	Average top 4	\$ 42.11	Average top 4	\$ 42.11	Average top 4
Market Price	\$ 46.70	Market Price	\$ 38.31	Market Price	\$ 38.31	Market Price	\$ 38.31	Market Price
Premium	32.3%	Premium	9.0%	Premium	9.0%	Premium	9.0%	Premium
1997		1997		1997		1997		1997
10 E 50th	\$ 64.00	1 WFC	\$ 40.00	1 WFC	\$ 40.00	1 WFC	\$ 40.00	1 WFC
287 Fish	\$ 61.00	100 Madison	\$ 35.75	100 Madison	\$ 35.75	100 Madison	\$ 35.75	100 Madison
600 Madison	\$ 59.00	One Chate	\$ 35.42	One Chate	\$ 35.42	One Chate	\$ 35.42	One Chate
9 W 57th	\$ 57.00	AVERAGE	\$ 36.72	AVERAGE	\$ 36.72	AVERAGE	\$ 36.72	AVERAGE
51 W 52nd	\$ 57.00	Market Price	\$ 30.91	Market Price	\$ 30.91	Market Price	\$ 30.91	Market Price
AVERAGE	\$ 59.80	Premium	15.8%	Premium	15.8%	Premium	15.8%	Premium
Market Price	\$ 38.00	Premium	15.8%	Premium	15.8%	Premium	15.8%	Premium
1996		1996		1996		1996		1996
10 E 50th	\$ 67.00	1 WFC	\$ 39.73	1 WFC	\$ 39.73	1 WFC	\$ 39.73	1 WFC
8 W 57th	\$ 61.72	Financial Square	\$ 38.10	Financial Square	\$ 38.10	Financial Square	\$ 38.10	Financial Square
153 E 50th	\$ 56.00	2 WFC	\$ 35.94	2 WFC	\$ 35.94	2 WFC	\$ 35.94	2 WFC
345 Park	\$ 55.00	100 Madison	\$ 35.15	100 Madison	\$ 35.15	100 Madison	\$ 35.15	100 Madison
787 Park	\$ 52.00	7 WFC	\$ 34.10	7 WFC	\$ 34.10	7 WFC	\$ 34.10	7 WFC
AVERAGE	\$ 58.91	Average top 4	\$ 35.26	Average top 4	\$ 35.26	Average top 4	\$ 35.26	Average top 4
Market Price	\$ 41.41	Market Price	\$ 30.40	Market Price	\$ 30.40	Market Price	\$ 30.40	Market Price
Premium	40.8%	Premium	16.2%	Premium	16.2%	Premium	16.2%	Premium
1995		1995		1995		1995		1995
153 E 50th	\$ 54.01	Financial Square	\$ 38.10	Financial Square	\$ 38.10	Financial Square	\$ 38.10	Financial Square
499 Park Ave	\$ 52.15	1 WFC	\$ 37.40	1 WFC	\$ 37.40	1 WFC	\$ 37.40	1 WFC
500 Madison	\$ 51.02	2 WFC	\$ 36.00	2 WFC	\$ 36.00	2 WFC	\$ 36.00	2 WFC
375 Park	\$ 50.97	33 Whitehall	\$ 33.72	33 Whitehall	\$ 33.72	33 Whitehall	\$ 33.72	33 Whitehall
AVERAGE	\$ 51.79	Average top 4	\$ 36.67	Average top 4	\$ 36.67	Average top 4	\$ 36.67	Average top 4
Market Price	\$ 34.36	Market Price	\$ 30.10	Market Price	\$ 30.10	Market Price	\$ 30.10	Market Price
Premium	33.7%	Premium	17.0%	Premium	17.0%	Premium	17.0%	Premium
1994		1994		1994		1994		1994
500 Madison	\$ 57.11	Financial Square	\$ 38.10	Financial Square	\$ 38.10	Financial Square	\$ 38.10	Financial Square
10 E 50th	\$ 52.00	1 WFC	\$ 37.80	1 WFC	\$ 37.80	1 WFC	\$ 37.80	1 WFC
600 Madison	\$ 52.00	2 WFC	\$ 37.31	2 WFC	\$ 37.31	2 WFC	\$ 37.31	2 WFC
8 W 57th	\$ 51.02	75 Wall	\$ 37.28	75 Wall	\$ 37.28	75 Wall	\$ 37.28	75 Wall
375 Park	\$ 51.02	1 WFC	\$ 35.56	1 WFC	\$ 35.56	1 WFC	\$ 35.56	1 WFC
AVERAGE	\$ 53.07	Average top 4	\$ 37.61	Average top 4	\$ 37.61	Average top 4	\$ 37.61	Average top 4
Market Price	\$ 33.60	Market Price	\$ 29.79	Market Price	\$ 29.79	Market Price	\$ 29.79	Market Price
Premium	36.7%	Premium	20.6%	Premium	20.6%	Premium	20.6%	Premium

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Based on historical data analysis, we have found that average rental prices for premier Downtown buildings in Manhattan have always exceeded average market prices by 10% -20% since 1994

**Market Premium Analysis, Downtown
1994 – 2000**

Year	Market Rent ⁽¹⁾	Weighted Average Rent in Premier Bldgs	Average Premium over Market
1994	\$29.79	Financial Square 7 WTC \$38.19 75 Wall \$37.67 2 WFC \$37.31 2 WFC \$37.28	20.8%
1995	\$30.10	1 WFC \$39.73 Financial Square 2 WFC \$38.16 180 Maiden \$35.94 180 Maiden \$35.15	17.9%
1996	\$30.48	1 WFC \$39.73 Financial Square 2 WFC \$38.16 2 WFC \$35.94 180 Maiden \$35.15	18.2%
1997	\$30.91	1 WFC \$40.00 180 Maiden \$35.75 One Chase \$35.67 One Liberty \$35.47	15.8%
1998	\$38.31	140 Broadway \$55.59 1 WFC \$55.00 2 WFC \$55.00 One Liberty \$54.00	9.0%
1999	\$39.08	33 Maiden \$47.00 One North End \$45.00 1 WFC \$43.86 2 WFC \$41.78	12.0%
2000	\$47.36	140 Broadway \$55.59 1 WFC \$55.00 2 WFC \$55.00 One Liberty \$54.00	13.7%

Average: 15.3%

Note: (1) Average for Class A in Downtown

Source: Cushman & Wakefield; A.T. Kearney analysis

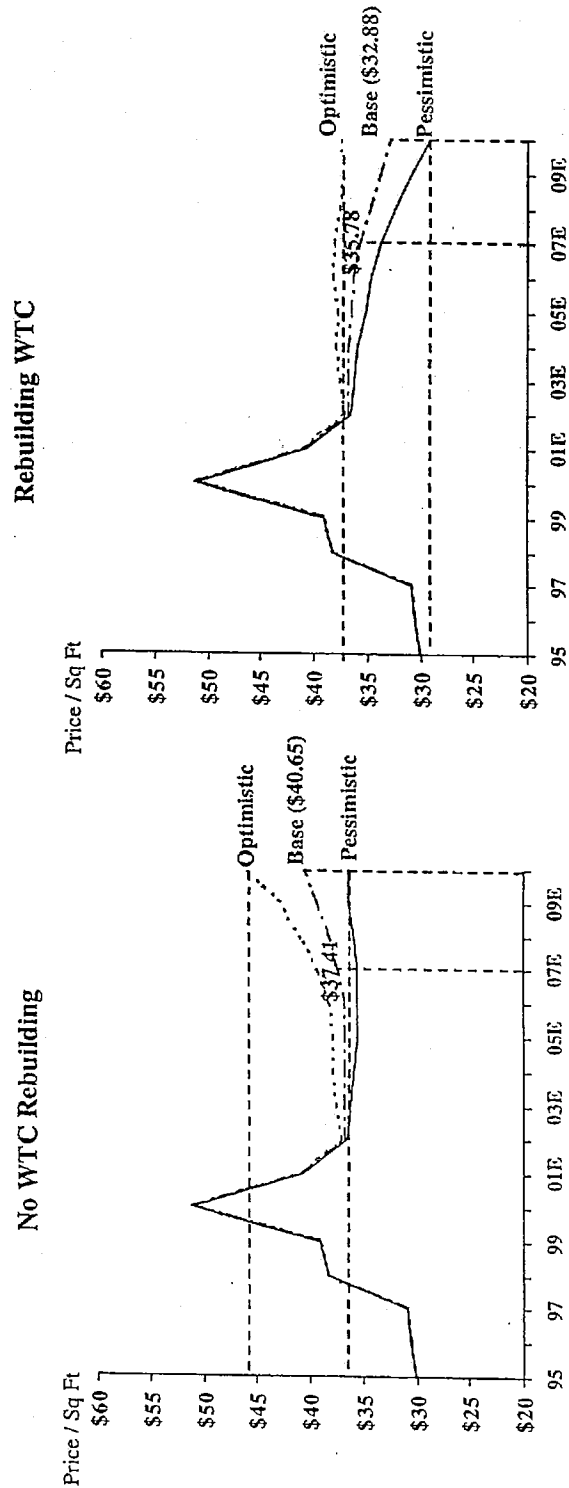
Price Premium

Market Price is for Class A

	Midtown	5 bldgs	Downtown	4 bldgs	Downtown	Midtown	Downtown	Premiums
	2001	2001	2001	2001	2001	2001	2001	2001
51 W 52nd	\$ 100.00	140 Broadway	\$ 55.59	140 Broadway	\$ 55.59	2001	35.4%	13.7%
687 Madison	\$ 100.00	1 WFC	\$ 55.00	1 WFC	\$ 55.00	1999	37.6%	12.0%
725 Fifth	\$ 80.00	2 WFC	\$ 55.00	2 WFC	\$ 55.00	1998	37.6%	12.0%
9 W 57th	\$ 87.06	One Liberty	\$ 54.00	One Liberty	\$ 54.00	1997	38.8%	15.8%
150 E 52nd	\$ 88.86	Financial Square	\$ 50.77	AVERAGE	\$ 54.80	1996	40.6%	18.9%
AVERAGE	\$ 82.79	Average Top 4	\$ 54.90	Market Price	\$ 47.26	1995	37.7%	17.9%
Market Price	\$ 59.98	Market Price	\$ 47.36	Premium	13.7%	1994	38.1%	18.0%
Premium	35.4%					Average	40.6%	18.9%
						1993	40.6%	18.9%
						1992	40.6%	18.9%
						1991	40.6%	18.9%
						1990	40.6%	18.9%
						1989	40.6%	18.9%
						1988	40.6%	18.9%
						1987	40.6%	18.9%
						1986	40.6%	18.9%
						1985	40.6%	18.9%
						1984	40.6%	18.9%
						1983	40.6%	18.9%
						1982	40.6%	18.9%
						1981	40.6%	18.9%
						1980	40.6%	18.9%
						1979	40.6%	18.9%
						1978	40.6%	18.9%
						1977	40.6%	18.9%
						1976	40.6%	18.9%
						1975	40.6%	18.9%
						1974	40.6%	18.9%
						1973	40.6%	18.9%
						1972	40.6%	18.9%
						1971	40.6%	18.9%
						1970	40.6%	18.9%
						1969	40.6%	18.9%
						1968	40.6%	18.9%
						1967	40.6%	18.9%
						1966	40.6%	18.9%
						1965	40.6%	18.9%
						1964	40.6%	18.9%
						1963	40.6%	18.9%
						1962	40.6%	18.9%
						1961	40.6%	18.9%
						1960	40.6%	18.9%
						1959	40.6%	18.9%
						1958	40.6%	18.9%
						1957	40.6%	18.9%
						1956	40.6%	18.9%
						1955	40.6%	18.9%
						1954	40.6%	18.9%
						1953	40.6%	18.9%
						1952	40.6%	18.9%
						1951	40.6%	18.9%
						1950	40.6%	18.9%
						1949	40.6%	18.9%
						1948	40.6%	18.9%
						1947	40.6%	18.9%
						1946	40.6%	18.9%
						1945	40.6%	18.9%
						1944	40.6%	18.9%
						1943	40.6%	18.9%
						1942	40.6%	18.9%
						1941	40.6%	18.9%
						1940	40.6%	18.9%
						1939	40.6%	18.9%
						1938	40.6%	18.9%
						1937	40.6%	18.9%
						1936	40.6%	18.9%
						1935	40.6%	18.9%
						1934	40.6%	18.9%
						1933	40.6%	18.9%
						1932	40.6%	18.9%
						1931	40.6%	18.9%
						1930	40.6%	18.9%
						1929	40.6%	18.9%
						1928	40.6%	18.9%
						1927	40.6%	18.9%
						1926	40.6%	18.9%
						1925	40.6%	18.9%
						1924	40.6%	18.9%
						1923	40.6%	18.9%
						1922	40.6%	18.9%
						1921	40.6%	18.9%
						1920	40.6%	18.9%
						1919	40.6%	18.9%
						1918	40.6%	18.9%
						1917	40.6%	18.9%
						1916	40.6%	18.9%
						1915	40.6%	18.9%
						1914	40.6%	18.9%
						1913	40.6%	18.9%
						1912	40.6%	18.9%
						1911	40.6%	18.9%
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						1804	40.6%	18.9%
						1803	40.6%	18.9%
						1802	40.6%	18.9%
						1801	40.6%	18.9%
						1800	40.6%	18.9%
						1799	40.6%	18.9%
						1798	40.6%	18.9%
						1797	40.6%	18.9%
						1796	40.6%	18.9%
						1795	40.6%	18.9%
				</				

Due to the new supply brought onto the market through rebuilding the WTC, prices for Class A space in Downtown may be slightly depressed. Depending on the timing of the economic recovery, rental prices will likely reach a range between \$29 to \$37 per square foot

Forecasted Downtown Class A⁽¹⁾ Rental Price per Square Foot – Alternative Economic Scenarios 1995A – 2010E



Note: (1) Downtown Class A rents are forecasted by applying 15 percent above the average Downtown projected rental prices for all Classes, based on historical data analysis

Source: Cushman & Wakefield; A.T. Kearney analysis

Source: Baseline C&W projections, Manhattan_Forecast2010.

Pessimistic Case - No WTC rebuild

	2001Q4	2002Q4	2003Q4	2004Q4	2005Q4	2006Q4	2007Q4	2008Q4	2009Q4	2010Q4
Office Using Employment - N	849,443	841,764	859,537	865,058	871,668	878,577	885,748	893,982	901,755	909,938
WTC Construction										
NEW YORK-Downtown										
Vacancy Rate	3.95%	7.48%	8.10%	7.88%	8.20%	7.72%	7.50%	7.17%	6.75%	6.35%
Rent, \$/sq ft	\$40.70	\$38.81	\$38.15	\$35.84	\$35.61	\$35.52	\$35.62	\$35.87	\$36.26	\$36.33
15% Price Premium	\$48.80	\$42.10	\$41.57	\$41.21	\$40.95	\$40.95	\$40.96	\$41.25	\$41.82	\$41.78
NY-Downtown South										
Vacancy Rate	8.7%	8.9%	9.1%	8.5%	7.8%	7.0%	6.2%	7.0%	7.0%	8.3%
Rent, \$/sq ft	\$62,514,739	\$62,525,643	\$62,590,277	\$62,203,317	\$62,016,916	\$61,831,075	\$61,645,790	\$62,565,191	\$63,017,400	\$62,828,590
Inventory	57,075,957	58,967,860	56,699,689	56,323,299	57,165,706	57,478,911	57,804,750	58,203,658	58,585,545	58,855,502
Occupied Inventory										
NEW YORK-Midtown										
Vacancy Rate	7.9%	8.9%	9.0%	10.1%	10.0%	10.0%	8.7%	8.8%	7.9%	7.1%
Rent, \$/sq ft	\$52.97	\$52.17	\$52.60	\$53.25	\$53.77	\$54.32	\$54.68	\$55.17	\$55.59	\$55.76
Inventory	229,242,222	229,003,078	233,178,322	235,654,538	237,803,054	240,511,933	242,875,894	243,233,349	245,989,508	242,748,609
Occupied Inventory	211,013,769	208,516,495	212,224,076	211,935,394	214,127,132	216,408,703	219,201,128	221,874,288	223,735,914	225,597,560
MANHATTAN										
Vacancy Rate	7.7%	9.8%	10.1%	10.6%	10.5%	10.2%	9.9%	9.3%	8.6%	7.8%
Rent, \$/sq ft	\$46.52	\$45.14	\$45.40	\$45.75	\$46.08	\$46.59	\$47.03	\$47.53	\$48.01	\$48.90
Inventory	387,873,408	387,473,039	391,321,173	393,419,056	396,790,203	399,119,448	401,854,323	403,335,576	403,349,544	402,723,267
Occupied Inventory	357,902,261	349,456,703	351,754,722	351,907,281	354,967,937	356,214,191	362,100,350	365,956,302	368,749,838	371,325,064
Downtown / Manhattan Inv	24.6%	24.6%	24.5%	24.3%	24.4%	24.2%	24.2%	24.2%	24.1%	24.1%
Downtown / Manhattan occ	42.6%	40.3%	39.0%	39.2%	39.1%	39.0%	38.4%	38.7%	38.5%	38.5%
Downtown / Manhattan vac	65.1%	127.2%	133.5%	124.1%	130.1%	125.5%	126.8%	126.5%	130.7%	124.4%
HISTORICAL										
MANHATTAN - CLS A										
60% Vacancy A	4.6%	5.9%	6.1%	6.3%	6.3%	6.1%	5.9%	5.6%	5.1%	4.7%
Inventory A	238,724,045	232,483,824	234,792,704	236,051,433	238,074,122	239,471,687	241,112,397	242,001,828	245,099,726	241,833,960
Change in Inventory A	(240,221)	(240,221)	2,308,880	1,258,730	2,022,688	1,387,546	1,640,330	889,238	7,901	(375,766)
Occupied A	221,934,432	218,797,343	220,546,782	221,107,195	223,017,998	224,745,716	228,811,319	238,548,553	228,553,769	230,330,607
Net Absorption A	(3,136,489)	1,750,889	559,413	1,916,803	1,727,728	1,727,728	2,686,134	1,734,584	1,005,197	776,847
10% Loading activity (on Occupied	22,193,443	21,879,794	22,064,878	22,110,719	22,301,900	22,474,518	22,581,198	22,854,858	22,955,378	23,033,061

Average Use

24.1% 24.4% 25% 25% 25% 25% 25% 25% 25% 25%

38.5% 38.4% 38.5% 38.5% 38.5% 38.5% 38.5% 38.5% 38.5% 38.5%

135.7% 135.7% 135.7% 135.7% 135.7% 135.7% 135.7% 135.7% 135.7% 135.7%

EDSSR 000594

Source: Baseline CAW projections, Manhattan_Forecast2010.

Optimistic Case - No WTC rebuild

	2001Q4	2002Q4	2003Q4	2004Q4	2005Q4	2006Q4	2007Q4	2008Q4	2009Q4	2010Q4
Office Using Employment W	840,443	841,764	859,537	865,058	871,666	878,577	885,748	891,962	901,755	909,938
WTC Construction										
NEW YORK/Downtown										
Vacancy Rate	6.4%	11.5%	11.8%	11.0%	11.0%	9.9%	7.9%	8.3%	4.8%	3.1%
Rent, \$/sf	\$ 35.40	\$ 22.37	\$ 32.72	\$ 32.95	\$ 33.03	\$ 33.23	\$ 34.29	\$ 35.65	\$ 37.27	\$ 39.37
Inventory	96,136,447	95,844,318	95,752,573	95,561,212	95,570,230	96,776,437	97,332,855	98,401,859	98,649,562	98,652,011
Occupied Inventory	89,979,338	84,863,369	84,489,811	85,078,020	85,500,730	87,170,405	89,639,752	92,158,974	94,060,021	95,553,166
NY Downtown A										
60% Vacancy Rate	3.44%	6.87%	7.06%	6.59%	6.83%	6.98%	4.75%	3.81%	2.91%	1.88%
115% Rent \$/sf	\$40.71	\$37.22	\$37.53	\$37.89	\$38.22	\$38.22	\$39.44	\$41.00	\$42.88	\$45.97
15% Price Premium	\$46.81	\$42.81	\$43.27	\$43.58	\$43.68	\$43.95	\$45.35	\$47.15	\$49.29	\$52.86
NY-Midtown South										
Vacancy Rate	8.8%	8.2%	6.0%	5.2%	4.4%	3.6%	4.3%	4.4%	3.9%	3.4%
Rent, \$/sf	\$ 39.86	\$ 40.08	\$ 40.75	\$ 42.89	\$ 44.71	\$ 48.47	\$ 48.13	\$ 49.68	\$ 51.48	\$ 53.58
Inventory	62,525,643	62,390,277	62,203,317	62,016,318	61,831,075	61,645,790	62,565,191	63,017,430	62,825,590	62,640,318
Occupied Inventory	57,051,261	57,257,306	58,245,548	58,772,223	59,103,855	59,445,187	59,862,648	60,252,497	60,395,078	60,507,082
NEW YORK/Midtown										
Vacancy Rate	7.9%	8.2%	6.7%	7.5%	6.9%	6.6%	8.3%	5.1%	3.9%	2.9%
Rent, \$/sf	\$ 53.00	\$ 52.50	\$ 53.65	\$ 54.97	\$ 56.24	\$ 57.65	\$ 59.14	\$ 62.28	\$ 64.51	\$ 67.53
Inventory	229,222,222	229,003,078	233,178,322	235,654,528	237,803,054	240,511,933	242,875,884	243,232,649	242,988,508	242,746,609
Occupied Inventory	211,180,570	210,228,163	217,504,961	218,095,446	221,411,772	224,583,548	227,587,575	230,899,044	233,417,215	235,905,396
MANHATTAN										
Vacancy Rate	7.6%	9.0%	7.9%	8.0%	7.6%	7.0%	8.4%	5.3%	4.2%	3.0%
Rent, \$/sf	\$ 46.52	\$ 45.51	\$ 46.48	\$ 47.72	\$ 48.77	\$ 50.00	\$ 51.42	\$ 53.85	\$ 55.83	\$ 58.64
Inventory	387,884,312	387,337,573	391,134,212	393,232,659	396,604,361	398,934,181	402,774,700	404,851,947	404,867,660	404,038,936
Occupied Inventory	358,211,170	352,348,837	360,237,121	361,945,689	366,448,417	371,203,124	377,109,573	383,310,515	387,872,312	391,935,613
Downtown/Manhattan inv	24.8%	24.6%	24.5%	24.3%	24.5%	24.3%	24.2%	24.3%	24.4%	24.4%
Downtown/Manhattan occ	42.6%	40.4%	38.8%	39.0%	38.6%	36.8%	39.4%	39.9%	40.3%	40.5%
Downtown/Manhattan vac	83.7%	127.9%	146.9%	137.9%	149.7%	142.8%	123.7%	120.3%	116.7%	105.4%
MANHATTAN - GLS A										
60% Vacancy A	4.6%	5.4%	4.7%	4.8%	4.6%	4.2%	3.8%	3.2%	2.5%	1.8%
Inventory A	232,700,567	232,402,504	234,680,527	235,935,583	237,962,617	239,360,497	241,664,838	242,791,168	242,800,596	242,423,362
Change in Inventory A		(327,983)	2,277,923	1,259,056	2,023,023	1,397,880	2,304,341	1,138,331	9,427	(377,204)
Occupied A	222,048,256	219,806,623	222,557,575	224,678,285	227,105,757	228,377,323	232,425,525	235,108,253	238,754,271	238,087,766
Not Absorption A		(2,241,533)	3,750,952	1,118,711	2,429,471	2,271,567	3,048,202	2,682,727	1,845,018	1,333,495
10% Leasing activity (on Occupied	22,204,828	21,980,662	22,355,757	22,467,569	22,710,576	22,937,732	23,245,553	23,510,825	23,675,427	23,808,777

Use
Average
24.4%
24.4%
25%
35.9%
40%
125.7%
105.4%

EDSSR 000595

Source: Baseline CMW Projections, Manhattan, Forecast 2010.

Pessimistic Case - New Slow WTC Rebuild

	2001Q4	2002Q4	2003Q4	2004Q4	2005Q4	2006Q4	2007Q4	2008Q4	2009Q4	2010Q4	2011Q4	2012Q4
Office Using Employment - 1												
WTC Construction	\$46,443	\$41,764	\$39,137	\$35,058	\$31,577	\$28,000	\$24,500,000	\$21,000,000	\$17,500,000	\$14,000,000	\$10,500,000	\$7,000,000
NEW YORK-Downtown												
Vacancy Rate	35.3%	31.8%	28.3%	24.8%	21.3%	17.8%	14.3%	10.8%	7.3%	3.8%	0.3%	
Rent, \$/sf	\$9,135,447	\$8,944,318	\$8,753,273	\$8,562,212	\$8,371,156	\$8,180,100	\$7,989,044	\$7,797,988	\$7,606,932	\$7,415,876	\$7,224,820	\$7,033,764
Inventory	\$9,812,538	\$9,722,346	\$9,632,154	\$9,541,962	\$9,451,770	\$9,361,578	\$9,271,386	\$9,181,194	\$9,090,999	\$9,000,807	\$8,910,615	\$8,820,423
Occupied Inventory												
NY-Downtown A												
60% Vacancy Rate	3.95%	7.49%	11.03%	14.57%	18.11%	21.65%	25.19%	28.73%	32.27%	35.81%	39.35%	42.89%
115% Rent, \$/sf	\$40.70	\$38.81	\$36.92	\$35.03	\$33.14	\$31.25	\$29.36	\$27.47	\$25.58	\$23.69	\$21.80	\$19.91
15% Price Premium	\$48.80	\$46.10	\$43.40	\$40.70	\$38.00	\$35.30	\$32.60	\$29.90	\$27.20	\$24.50	\$21.80	\$19.10
NY-Midtown South												
Vacancy Rate	39.7%	38.8%	37.9%	37.0%	36.1%	35.2%	34.3%	33.4%	32.5%	31.6%	30.7%	29.8%
Rent, \$/sf	\$62,525,843	\$62,390,277	\$62,254,711	\$62,119,145	\$61,983,579	\$61,848,013	\$61,712,447	\$61,576,881	\$61,441,315	\$61,305,749	\$61,170,183	\$61,034,617
Inventory	\$58,887,860	\$58,809,659	\$58,731,458	\$58,653,257	\$58,575,056	\$58,496,855	\$58,418,654	\$58,340,453	\$58,262,252	\$58,184,051	\$58,105,850	\$58,027,649
Occupied Inventory												
NEW YORK-Midtown												
Vacancy Rate	7.8%	8.9%	10.0%	11.1%	12.2%	13.3%	14.4%	15.5%	16.6%	17.7%	18.8%	19.9%
Rent, \$/sf	\$28,222,222	\$28,040,000	\$27,857,778	\$27,675,556	\$27,493,334	\$27,311,112	\$27,128,890	\$26,946,668	\$26,764,446	\$26,582,224	\$26,399,999	\$26,217,777
Inventory	\$21,013,768	\$20,816,095	\$20,618,422	\$20,420,749	\$20,223,076	\$20,025,403	\$19,827,730	\$19,630,057	\$19,432,384	\$19,234,711	\$19,037,038	\$18,839,365
Occupied Inventory												
MANHATTAN												
Vacancy Rate	7.6%	9.8%	12.0%	14.2%	16.4%	18.6%	20.8%	23.0%	25.2%	27.4%	29.6%	31.8%
Rent, \$/sf	\$21,747,885	\$21,593,355	\$21,438,825	\$21,284,295	\$21,129,765	\$20,975,235	\$20,820,705	\$20,666,175	\$20,511,645	\$20,357,115	\$20,202,585	\$20,048,055
Inventory (M US)	\$6,138,417	\$6,054,316	\$5,970,215	\$5,886,114	\$5,802,013	\$5,717,912	\$5,633,811	\$5,549,710	\$5,465,609	\$5,381,508	\$5,297,407	\$5,213,306
Total Inventory	\$67,884,312	\$67,397,073	\$66,909,834	\$66,422,595	\$65,935,356	\$65,448,117	\$64,960,878	\$64,473,639	\$63,986,400	\$63,499,161	\$63,011,922	\$62,524,683
Occupied Inventory	\$57,794,164	\$57,307,073	\$56,819,982	\$56,332,891	\$55,845,800	\$55,358,709	\$54,871,618	\$54,384,527	\$53,897,436	\$53,410,345	\$52,923,254	\$52,436,163
Downtown / Manhattan Inv	24.6%	23.9%	23.2%	22.5%	21.8%	21.1%	20.4%	19.7%	19.0%	18.3%	17.6%	16.9%
Downtown / Manhattan occ	25.1%	24.3%	23.6%	22.9%	22.2%	21.5%	20.8%	20.1%	19.4%	18.7%	18.0%	17.3%
Downtown / Manhattan vac	84.6%	82.7%	80.8%	78.9%	77.0%	75.1%	73.2%	71.3%	69.4%	67.5%	65.6%	63.7%
MANHATTAN - CLE A												
60% Vacancy A	4.7%	5.8%	6.9%	8.0%	9.1%	10.2%	11.3%	12.4%	13.5%	14.6%	15.7%	16.8%
Inventory (M US) A	\$17,043,719	\$16,880,013	\$16,716,307	\$16,552,601	\$16,388,895	\$16,225,189	\$16,061,483	\$15,897,777	\$15,734,071	\$15,570,365	\$15,406,659	\$15,242,953
60% Inventory (D) A	\$17,043,719	\$16,880,013	\$16,716,307	\$16,552,601	\$16,388,895	\$16,225,189	\$16,061,483	\$15,897,777	\$15,734,071	\$15,570,365	\$15,406,659	\$15,242,953
Change in Inventory A	\$23,750,397	\$23,402,864	\$23,055,331	\$22,707,798	\$22,360,265	\$22,012,732	\$21,665,199	\$21,317,666	\$20,970,133	\$20,622,600	\$20,275,067	\$19,927,534
Change in Inventory B	\$23,750,397	\$23,402,864	\$23,055,331	\$22,707,798	\$22,360,265	\$22,012,732	\$21,665,199	\$21,317,666	\$20,970,133	\$20,622,600	\$20,275,067	\$19,927,534
Occupied A	\$221,688,134	\$218,585,985	\$215,483,836	\$212,381,687	\$209,279,538	\$206,177,389	\$203,075,240	\$200,000,000	\$196,924,751	\$193,849,502	\$190,774,253	\$187,699,004
Net Absorption A												
10% Leasing activity (on Occupied)	\$22,168,813	\$21,858,598	\$21,548,383	\$21,238,168	\$20,927,953	\$20,617,738	\$20,307,523	\$20,000,000	\$19,689,785	\$19,379,570	\$19,069,355	\$18,759,140
Supply	\$22,168,813	\$21,858,598	\$21,548,383	\$21,238,168	\$20,927,953	\$20,617,738	\$20,307,523	\$20,000,000	\$19,689,785	\$19,379,570	\$19,069,355	\$18,759,140
Expiling Leases												
Change in Inventory	\$25,098,047	\$24,788,898	\$24,479,749	\$24,170,600	\$23,861,451	\$23,552,302	\$23,243,153	\$22,934,004	\$22,624,855	\$22,315,706	\$22,006,557	\$21,697,408
Change in Inventory w/o WTC												
Supply w/o WTC	\$24,788,064	\$24,479,749	\$24,170,600	\$23,861,451	\$23,552,302	\$23,243,153	\$22,934,004	\$22,624,855	\$22,315,706	\$22,006,557	\$21,697,408	\$21,388,259
Supply w WTC	\$24,788,064	\$24,479,749	\$24,170,600	\$23,861,451	\$23,552,302	\$23,243,153	\$22,934,004	\$22,624,855	\$22,315,706	\$22,006,557	\$21,697,408	\$21,388,259
Expiling Leases/Rent												
TOTAL												

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Source: Baseline CAW projections, Manhattan, Forecast 2010.

Optimistic Case - New Slow WTC Rebuild

	2010Q4	2011Q4	2012Q4	2013Q4	2014Q4	2015Q4	2016Q4	2017Q4	2018Q4	2019Q4	2020Q4	2010Q4	2011Q4	2012Q4
Offices Using Employment-A	841,764	841,443	841,764	841,764	841,764	841,764	841,764	841,764	841,764	841,764	841,764	841,764	841,764	841,764
WTC Construction														
NEW YORK-Downtown														
Vacancy Rate	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Rent, \$/sf	\$35.40	\$35.40	\$35.40	\$35.40	\$35.40	\$35.40	\$35.40	\$35.40	\$35.40	\$35.40	\$35.40	\$35.40	\$35.40	\$35.40
Inventory	\$5,136,447	\$5,136,447	\$5,136,447	\$5,136,447	\$5,136,447	\$5,136,447	\$5,136,447	\$5,136,447	\$5,136,447	\$5,136,447	\$5,136,447	\$5,136,447	\$5,136,447	\$5,136,447
Occupied Inventory	\$5,979,335	\$5,979,335	\$5,979,335	\$5,979,335	\$5,979,335	\$5,979,335	\$5,979,335	\$5,979,335	\$5,979,335	\$5,979,335	\$5,979,335	\$5,979,335	\$5,979,335	\$5,979,335
NY Downtown A														
60% Vacancy Rate	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%	3.84%
115% Rent, \$/sf	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71	\$40.71
15% Price Premium	\$48.81	\$48.81	\$48.81	\$48.81	\$48.81	\$48.81	\$48.81	\$48.81	\$48.81	\$48.81	\$48.81	\$48.81	\$48.81	\$48.81
NY-Midtown South														
Vacancy Rate	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%
Rent, \$/sf	\$39.65	\$39.65	\$39.65	\$39.65	\$39.65	\$39.65	\$39.65	\$39.65	\$39.65	\$39.65	\$39.65	\$39.65	\$39.65	\$39.65
Inventory	\$2,525,643	\$2,525,643	\$2,525,643	\$2,525,643	\$2,525,643	\$2,525,643	\$2,525,643	\$2,525,643	\$2,525,643	\$2,525,643	\$2,525,643	\$2,525,643	\$2,525,643	\$2,525,643
Occupied Inventory	\$7,051,281	\$7,051,281	\$7,051,281	\$7,051,281	\$7,051,281	\$7,051,281	\$7,051,281	\$7,051,281	\$7,051,281	\$7,051,281	\$7,051,281	\$7,051,281	\$7,051,281	\$7,051,281
NEW YORK-Midtown														
Vacancy Rate	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
Rent, \$/sf	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00
Inventory	\$29,223,852	\$29,223,852	\$29,223,852	\$29,223,852	\$29,223,852	\$29,223,852	\$29,223,852	\$29,223,852	\$29,223,852	\$29,223,852	\$29,223,852	\$29,223,852	\$29,223,852	\$29,223,852
Occupied Inventory	\$11,168,570	\$11,168,570	\$11,168,570	\$11,168,570	\$11,168,570	\$11,168,570	\$11,168,570	\$11,168,570	\$11,168,570	\$11,168,570	\$11,168,570	\$11,168,570	\$11,168,570	\$11,168,570
MANHATTAN														
Vacancy Rate	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%
Rent, \$/sf	\$46.52	\$46.52	\$46.52	\$46.52	\$46.52	\$46.52	\$46.52	\$46.52	\$46.52	\$46.52	\$46.52	\$46.52	\$46.52	\$46.52
Inventory (M MS)	\$21,747,865	\$21,747,865	\$21,747,865	\$21,747,865	\$21,747,865	\$21,747,865	\$21,747,865	\$21,747,865	\$21,747,865	\$21,747,865	\$21,747,865	\$21,747,865	\$21,747,865	\$21,747,865
Inventory (O)	\$9,138,447	\$9,138,447	\$9,138,447	\$9,138,447	\$9,138,447	\$9,138,447	\$9,138,447	\$9,138,447	\$9,138,447	\$9,138,447	\$9,138,447	\$9,138,447	\$9,138,447	\$9,138,447
Total Inventory	\$30,886,312	\$30,886,312	\$30,886,312	\$30,886,312	\$30,886,312	\$30,886,312	\$30,886,312	\$30,886,312	\$30,886,312	\$30,886,312	\$30,886,312	\$30,886,312	\$30,886,312	\$30,886,312
Occupied Inventory	\$356,211,170	\$356,211,170	\$356,211,170	\$356,211,170	\$356,211,170	\$356,211,170	\$356,211,170	\$356,211,170	\$356,211,170	\$356,211,170	\$356,211,170	\$356,211,170	\$356,211,170	\$356,211,170
Downtown / Manhattan inv	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%	24.6%
Downtown / Manhattan occ	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%
Downtown / Manhattan vac	63.7%	63.7%	63.7%	63.7%	63.7%	63.7%	63.7%	63.7%	63.7%	63.7%	63.7%	63.7%	63.7%	63.7%
MANHATTAN - CLS A														
80% Vacancy A	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
80% Inventory (M MS) A	\$175,048,719	\$175,048,719	\$175,048,719	\$175,048,719	\$175,048,719	\$175,048,719	\$175,048,719	\$175,048,719	\$175,048,719	\$175,048,719	\$175,048,719	\$175,048,719	\$175,048,719	\$175,048,719
80% Inventory (O) A	\$71,651,866	\$71,651,866	\$71,651,866	\$71,651,866	\$71,651,866	\$71,651,866	\$71,651,866	\$71,651,866	\$71,651,866	\$71,651,866	\$71,651,866	\$71,651,866	\$71,651,866	\$71,651,866
Inventory A	\$246,700,585	\$246,700,585	\$246,700,585	\$246,700,585	\$246,700,585	\$246,700,585	\$246,700,585	\$246,700,585	\$246,700,585	\$246,700,585	\$246,700,585	\$246,700,585	\$246,700,585	\$246,700,585
Occupied A	\$222,048,258	\$222,048,258	\$222,048,258	\$222,048,258	\$222,048,258	\$222,048,258	\$222,048,258	\$222,048,258	\$222,048,258	\$222,048,258	\$222,048,258	\$222,048,258	\$222,048,258	\$222,048,258
Net Absorption A	\$24,652,327	\$24,652,327	\$24,652,327	\$24,652,327	\$24,652,327	\$24,652,327	\$24,652,327	\$24,652,327	\$24,652,327	\$24,652,327	\$24,652,327	\$24,652,327	\$24,652,327	\$24,652,327
10% Leading Activity (on Occupe	\$2,204,825	\$2,204,825	\$2,204,825	\$2,204,825	\$2,204,825	\$2,204,825	\$2,204,825	\$2,204,825	\$2,204,825	\$2,204,825	\$2,204,825	\$2,204,825	\$2,204,825	\$2,204,825
Supply	\$22,048,258	\$22,048,258	\$22,048,258	\$22,048,258	\$22,048,258	\$22,048,258	\$22,048,258	\$22,048,258	\$22,048,258	\$22,048,258	\$22,048,258	\$22,048,258	\$22,048,258	\$22,048,258
Expanding (on occupe														
Change in Inventory														
Change in Inventory w/o WTC														
Supply w/o WTC														
Supply w WTC														
Expanding (on occupe														
Change in Inventory														
Change in Inventory w/o WTC														
Supply w/o WTC														
Supply w WTC														
TOTAL														

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EXHIBIT 25 (Part 2 of 3)

Base Case

Row	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE
Pass	\$40.70	\$36.81	\$36.15	\$35.84	\$35.41	\$35.52	\$35.62	\$35.87	\$36.36	\$36.33	
Opt	\$40.70	\$37.32	\$37.63	\$37.88	\$37.99	\$38.22	\$38.44	\$41.00	\$42.86	\$43.37	
Base	\$40.70	\$36.82	\$36.89	\$36.87	\$36.80	\$36.82	\$37.41	\$38.23	\$39.31	\$40.85	

Def Opt Pass	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Def Base-Pass	0.5	0.5	0.5	0.5	0.5	0.43254822	0.4800088	0.4403537	0.4326337	0.4481068

New Store Rebuild

Row	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE
Optnet	\$ 35.40	\$ 32.37	\$ 32.72	\$ 32.95	\$ 32.88	\$ 33.26	\$ 33.12	\$ 32.66	\$ 32.44	\$ 32.58
Passnet	\$ 35.38	\$ 31.84	\$ 31.43	\$ 31.18	\$ 30.59	\$ 30.07	\$ 29.33	\$ 28.20	\$ 26.86	\$ 25.35
D-O-P	\$ 0.01	\$ 0.53	\$ 1.29	\$ 1.79	\$ 2.30	\$ 3.19	\$ 3.78	\$ 4.46	\$ 5.56	\$ 7.22
D* Dtl B-P	\$ 0.00	\$ 0.27	\$ 0.64	\$ 0.89	\$ 1.15	\$ 1.54	\$ 1.78	\$ 2.06	\$ 2.52	\$ 3.24
Base	\$ 35.39	\$ 32.10	\$ 32.08	\$ 32.08	\$ 31.74	\$ 31.11	\$ 30.26	\$ 29.40	\$ 28.58	\$ 28.58
Base*1.15	\$ 40.70	\$ 36.92	\$ 36.88	\$ 36.87	\$ 36.50	\$ 36.35	\$ 36.76	\$ 38.00	\$ 39.81	\$ 42.48

Change in Inventory

Row	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE
Optnet	(0.33)	2.28	1.26	2.62	0.60	2.58	0.24	(1.02)	(1.39)	(1.39)
Passnet	(0.33)	2.28	1.26	2.62	0.60	2.58	0.24	(1.02)	(1.39)	(1.39)
D-O-P	-	-	-	-	-	-	-	-	-	-
D* Dtl B-P	-	-	-	-	-	-	-	-	-	-
Base	(0.33)	2.28	1.26	2.62	0.60	2.58	0.24	(1.02)	(1.39)	(1.39)

Row	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE
Manhattan Class A (w/ vacancy)	24.33	21.85	22.71	21.87	22.37	21.78	20.92	20.81	20.85	20.85
Manhattan Class A (w/ vacancy)	24.33	21.85	22.71	21.87	22.37	21.78	20.92	20.81	20.85	20.85
Manhattan Class A (w/ vacancy)	13.18	12.81	13.03	14.11	13.86	15.19	15.41	15.16	14.79	14.79
Manhattan Class A (w/ vacancy)	37.50	34.26	35.73	37.78	36.26	36.44	36.83	36.27	37.94	37.94

Method 1: Supply - Manhattan Class A (with WTC Rebuild)	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE
Leasing Activity	22.19	21.82	22.21	22.29	22.58	22.67	23.03	23.25	23.40	23.55
Vacancy	10.83	13.16	12.81	13.03	14.11	13.86	15.19	15.41	15.16	14.79
Total	33.02	34.98	35.02	35.32	36.70	36.53	38.22	38.66	38.56	38.34
Method 2: Supply - Manhattan Class A (with WTC Rebuild)	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE
Vacancy at beginning of year	10.83	13.16	12.81	13.03	14.11	13.86	15.19	15.41	15.16	14.79
Expiring leases	24.06	18.37	21.45	19.85	21.78	19.38	21.02	21.83	22.04	22.04
Change in Inventory	(0.33)	2.28	1.26	4.02	0.80	4.82	2.39	1.28	1.10	1.10
Total	25.16	34.82	35.52	36.70	36.48	36.17	38.61	38.51	38.30	38.30

Leasing Activity

Row	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE
Optnet	22.20	21.96	22.36	22.47	22.79	22.87	23.28	23.56	23.78	23.95
Passnet	22.19	21.87	22.06	22.11	22.34	22.48	22.81	22.98	23.10	23.22
D-O-P	0.02	0.11	0.30	0.35	0.40	0.38	0.47	0.53	0.66	0.72
D* Dtl B-P	-	-	-	-	-	-	-	-	-	-
Base	22.19	21.82	22.21	22.29	22.84	22.67	23.03	23.25	23.40	23.56

Vacancy - Downtown Class A

Row	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE
Optnet	3.1%	5.9%	7.1%	8.6%	7.5%	8.8%	8.5%	8.5%	6.4%	6.1%
Passnet	3.3%	7.5%	8.1%	7.9%	8.9%	8.4%	9.0%	8.4%	9.7%	10.0%
D-O-P	-0.1%	-0.6%	-1.0%	-1.3%	-1.4%	-1.7%	-2.4%	-2.8%	-3.2%	-3.9%
D* Dtl B-P	0.0%	-0.3%	-0.3%	-0.6%	-0.7%	-0.8%	-1.1%	-1.3%	-1.5%	-1.7%
Base	3.3%	7.2%	7.8%	7.2%	8.2%	7.5%	7.8%	8.0%	8.2%	8.2%

Vacancy - Manhattan Class A

Row	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE
Optnet	4.6%	5.4%	4.7%	4.6%	5.0%	4.9%	5.2%	5.1%	4.9%	4.8%
Passnet	4.7%	6.9%	6.0%	6.3%	6.7%	6.5%	7.0%	7.1%	7.1%	7.0%
D-O-P	-0.1%	-0.5%	-1.3%	-1.5%	-1.7%	-1.8%	-1.8%	-2.0%	-2.2%	-2.4%
D* Dtl B-P	0.0%	-0.2%	-0.8%	-0.7%	-0.8%	-0.8%	-0.8%	-0.9%	-1.0%	-1.1%
Base	4.7%	5.7%	5.4%	5.5%	6.0%	5.8%	6.2%	6.2%	6.1%	5.9%

Inventory - Manhattan Class A

Row	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE
Optnet	232,731	232,403	234,661	235,840	239,962	240,557	245,619	248,361	249,845	250,964
Passnet	232,731	232,403	234,661	235,840	239,962	240,557	245,619	248,361	249,845	250,964
D-O-P	-	-	-	-	-	-	-	-	-	-
D* Dtl B-P	-	-	-	-	-	-	-	-	-	-
Base	232,731	232,403	234,661	235,840	239,962	240,557	245,619	248,361	249,845	250,964

Expiring Leases

Row	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE
Optnet	24.22	18.60	21.35	18.60	22.07	19.18	20.73	21.74	22.08	22.08
Passnet	25.10	20.14	21.55	18.70	21.50	19.52	21.27	21.90	22.61	22.61
D-O-P	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
D* Dtl B-P	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Base	24.7	19.4	21.4	18.6	21.6	19.4	21.0	21.8	22.0	22.0

Absorption

WTC	Pass	Opt	% Pass	% Opt	P	O
100	22.4	22.8	4.5%	4.4%	21.60	21.60
150	22.5	22.9	4.4%	4.4%	21.50	21.50
200	22.8	23.3	4.4%	4.3%	21.80	22.20
250	23	23.8	9.6%	9.3%	20.80	21.40
250	23.1	23.8	10.6%	10.5%	20.60	21.30
250	23.2	23.9	10.6%	10.5%	20.70	21.40

Vacancy - Downtown Class A NO REBUILD

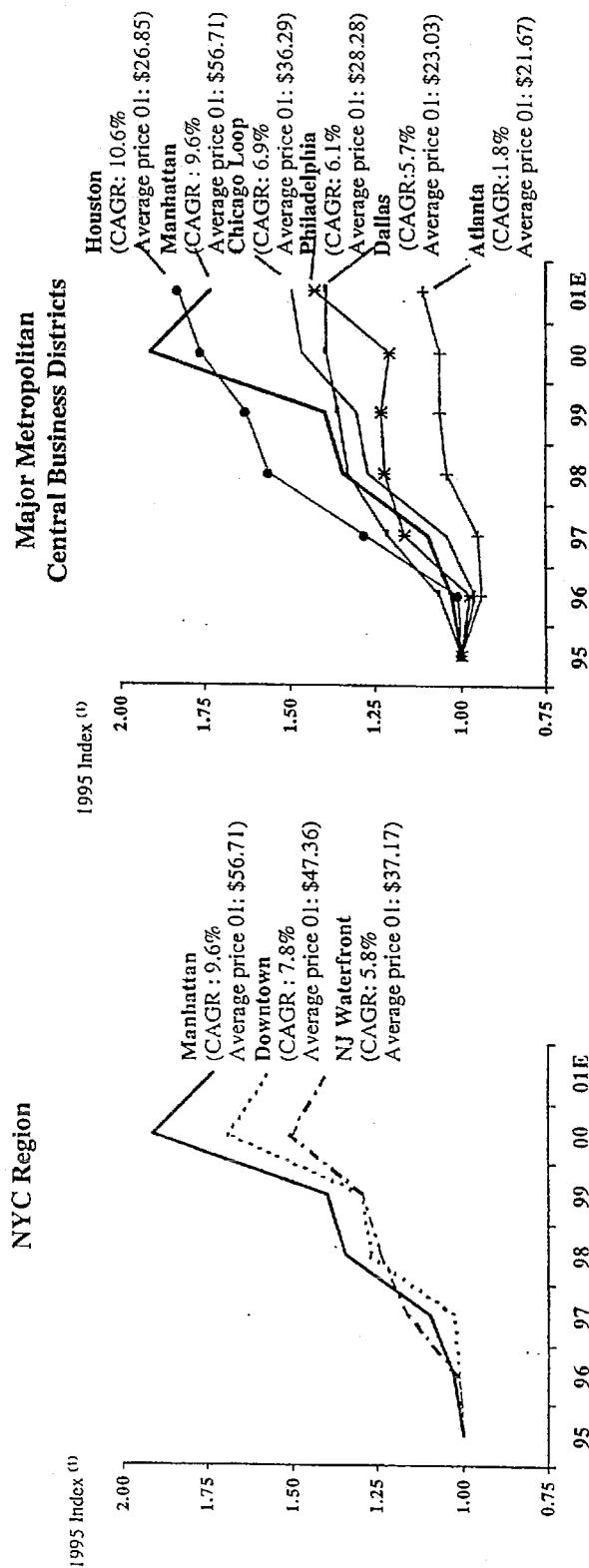
Row	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE
Optnet	6.93%	7.06%	6.54%	6.83%	5.96%	4.73%	5.81%	2.91%	1.88%	1.88%
Passnet	7.49%	8.19%	7.84%	6.33%	7.72%	7.52%	7.17%	8.73%	8.55%	8.55%
D-O-P	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
D* Dtl B-P	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Base	7.21%	7.56%	7.22%	7.37%	6.87%	5.21%	6.62%	4.90%	4.56%	4.56%

Rent - Downtown, NO REBUILD

Row	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE	OIE
Optnet	\$37.22	\$37.63	\$37.89	\$37.99	\$38.22	\$38.44	\$41.00	\$42.86	\$43.37	\$43.37
Passnet	\$36.41	\$36.15	\$35.84	\$35.61	\$35.52	\$35.62	\$35.87	\$36.36	\$36.33	\$36.33
D-O-P	1	1	2	2	3	4	5	7	10	10
D* Dtl B-P	0	1	1	1	1	2	2	3	4	4
Base	\$36.82	\$36.80	\$36.87	\$36.80	\$36.82	\$37.41	\$38.23	\$39.31	\$40.85	\$40.85

While the rental price softness created by a rebuild of the WTC may displease current landlords, it will bring rents in New York City back to pre-2000 levels and in line with those of other major metropolitan areas

Class A Space Rental Prices Indexed to 1995 Values 1995-2001 3Q



Note: (1) 1995 price index for NYC region includes \$32.77 per sqft for Manhattan, \$30.10 per sqft for Downtown, and \$26.56 per sqft for NJ Waterfront)

(2) 1995 price index for major metropolitan central business districts includes \$14.65 per sqft for Houston, \$32.77 per sqft for Manhattan, \$24.32 per sqft for Chicago, \$19.82 per sqft for Philadelphia, \$16.51 per sqft for Dallas, and \$19.46 per sqft for Atlanta

Sources: Cushman & Wakefield; A.T. Kearney analysis

A.T. Kearney 17/19329-cj 21

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MARKET 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 **2001 CAGR 01-9 Average 01-95

Chicago, IL	\$ 31.54	\$ 29.28	\$ 27.89	\$ 26.49	\$ 24.32	\$ 23.58	\$ 25.34	\$ 30.85	\$ 31.78	\$ 35.63	\$ 36.29	6.9%	\$ 29.68
Boston, MA	\$ 28.46	\$ 27.80	\$ 27.27	\$ 27.69	\$ 30.89	\$ 32.82	\$ 37.49	\$ 44.32	\$ 50.40	\$ 57.15	\$ 60.26	11.8%	\$ 44.76
San Francisco, CA	\$ 25.31	\$ 23.70	\$ 22.62	\$ 23.70	\$ 25.07	\$ 29.35	\$ 38.04	\$ 45.12	\$ 50.64	\$ 60.16	\$ 53.88	13.6%	\$ 46.04
Philadelphia, PA	\$ 23.48	\$ 22.41	\$ 21.05	\$ 20.65	\$ 19.82	\$ 19.33	\$ 23.03	\$ 24.26	\$ 24.45	\$ 23.93	\$ 28.28	6.1%	\$ 23.30
Houston, TX	\$ 17.67	\$ 16.61	\$ 15.80	\$ 15.05	\$ 14.65	\$ 14.85	\$ 18.78	\$ 22.81	\$ 23.91	\$ 25.77	\$ 28.85	10.6%	\$ 21.09
Atlanta, GA	\$ 19.86	\$ 22.47	\$ 22.48	\$ 20.28	\$ 19.46	\$ 18.36	\$ 18.40	\$ 20.18	\$ 20.68	\$ 20.70	\$ 21.67	1.8%	\$ 19.92
Dallas, TX	\$ 20.02	\$ 18.71	\$ 16.86	\$ 15.94	\$ 16.51	\$ 17.52	\$ 20.03	\$ 21.97	\$ 22.38	\$ 23.01	\$ 23.03	5.7%	\$ 20.64

NYC

Manhattan	\$ 35.31	\$ 33.33	\$ 31.87	\$ 32.22	\$ 32.77	\$ 33.61	\$ 35.87	\$ 44.01	\$ 45.82	\$ 62.60	\$ 56.71	9.6%	\$ 44.49
Downtown	\$ 31.80	\$ 32.31	\$ 30.12	\$ 29.79	\$ 30.10	\$ 30.48	\$ 30.91	\$ 38.31	\$ 39.08	\$ 51.00	\$ 47.36	7.8%	\$ 38.18
NJ Waterfront	\$ 24.95	\$ 25.65	\$ 25.54	\$ 25.32	\$ 26.56	\$ 26.85	\$ 30.84	\$ 32.97	\$ 34.41	\$ 40.00	\$ 37.17	5.8%	\$ 32.69

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Over the last decade, the search for cheaper rents and contiguous space has driven the relocation of premier tenants and their employees. The resulting increase in the competitiveness of New York City commercial property market will hopefully stem major company relocations and limit further job losses.

Major Company Relocations Out of NYC 1990 - 2000

Company Name	Relocation Year	New Location	New Square Footage	Approx. Jobs Lost ⁽²⁾	Rationale for Relocation ⁽¹⁾
Chase Manhattan Bank	2000	Jersey City, NJ	1,800,000	9,400	• Cheaper rents, generous financial incentives/tax breaks
Datatek Online Holdings		Jersey City, NJ	410,000	2,100	• Need for additional Class A type space
John Wiley & Sons		Hoboken, NJ	400,000	1,600	• Cheaper rents, generous financial incentives/tax breaks
Paine Webber		Jersey City, NJ	116,208	600	• Need for additional space, co-location w/ existing space
Citibank Asset Mgt.	1998	Stamford, CT	100,000	520	• Need for additional space
Swiss Bank Corp (UBS)	1994	Stamford, CT	573,000	3,000	• Need for new building meeting unique needs, incentives
Lehman Brothers		Jersey City, NJ	340,000	1,800	• Cheaper overall cost structure
American Home Products	1993	Madison, NJ	359,300	1,700	• Closer proximity to research facilities
First Chicago Trust		Jersey City, NJ	240,000	1,250	• Generous financial incentives, building tech amenities
J.C. Penney	1992	Dallas, TX	1,500,000	6,550	• Significantly cheaper overall cost structure
Bristol Myers		Plainsboro, NJ	600,000	2,800	• Proximity to pharma cluster, research/human resources
Merrill Lynch		Jersey City, NJ	550,000	2,900	• Cheaper overall cost structure
Bear Stearns		Brooklyn, NY	250,000	1,300	• Cheaper overall cost structure
Philip Morris	1991	Rye Brook, NY	560,000	2,450	• Co-location of employees into existing facility
Morgan Stanley	1990	Brooklyn, NY	155,000	800	• Generous financial incentives (e.g., energy cost savings)
Others (120 companies)	1990-2000	Multiple	3,375,000	16,850	
Total:			11,320,508	55,620	

Major relocations over the last decade represent approximately 2 years of the total Class A space absorbed in NYC in recent years

Note: (1) Rationale for relocation based on company comments in press releases and articles regarding relocation

(2) Estimated space based on average market density by industry. Please refer to appendix for details

Sources: Cushman & Wakefield; Company Press Releases; A.T. Kearney analysis

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Year	HQ or Back Office	Firm	Prior Location	SF	New Location	State	New SF
2000		Chase Manhattan Bank	55 Water	1,800,000	Jersey City	NJ	1,800,000
2000		Datak Online Holdings Corp	50 Broad		Jersey City	NJ	410,000
2000	HQ	John Wiley & Sons	605 Third	258,793	Hoboken	NJ	400,000
2000		PalmerWebster			Jersey City	NJ	116,208
2000	HQ	Matthew Bender	2 Park	120,000	Newark	NJ	90,000
2000		Westvaco	299 Park Ave		Stamford	CT	73,811
2000		Journal of Commerce	2 World Trade Center	10,000	Newark	NJ	43,000
2000		NY Association of New Americans	17 Battery Place		Elmhurst	NY	10,000
1999		Output Technologies	NYC		Melville	NY	110,000
1999		Clarence House Imports	111 Eighth		Stamford	CT	66,000
1999		Saunders Karp & Mergue	667 Madison		Stamford	CT	28,130
1999		Official Payments Corp	NYC		Stamford	CT	14,000
1999		Bank of Scotland	565 Fifth Avenue		Stamford	CT	12,600
1999		Cristian & Timbark Inc.	570 Lexington		Stamford	CT	7,135
1999		MicroNet Ventures/Venture Link	NYC		Stamford	CT	1,750
1998		Citibank Global Asset Mgmt.	NYC		Stamford	CT	100,000
1998		OMI Corporation	NYC		Stamford	CT	20,175
1998		Horizon Paper	NYC		Stamford	CT	5,000
1998		Sakura Delaheer	NYC		Greenwich	CT	4,898
1998		Whittington Mgmt. LLC	NYC		New Canaan	CT	4,500
1998		American Marketing Center	NYC		Lake Success	NY	3,991
1998		Rockwood Capital	NYC		Greenwich	CT	3,320
1998		Brown Printing Company	NYC		Stamford	CT	2,306
1998		Absolute Media	NYC		Stamford	CT	2,019
1997		SAC Capital	NYC		Stamford	CT	27,500
1997		Neoplenion Holdings Inc.	NYC		Stamford	CT	23,000
1997		Benjamin Electric	NYC		Stamford	CT	20,000
1997		Aer Lingus	NYC		Melville	NY	15,000
1997		Geacher NatWest	NYC		Stamford	CT	14,410
1997		Spectrum Capital Ltd.	NYC		Greenwich	CT	11,000
1997		NBC (Olympics Division)	NYC		Stamford	CT	10,800
1997		Lorex Plastics	NYC		Stamford	CT	8,000
1997		Newgate LLP	NYC		Greenwich	CT	5,718
1997		AIS Futures Mgmt.	NYC		Wilton	CT	5,000
1997		Lux Products	NYC		Stamford	CT	5,000
1997		Telespot	NYC		Stamford	CT	5,000
1997		Lone Pine Capital	NYC		Greenwich	CT	3,925
1997		Columbus Advisors	NYC		Greenwich	CT	3,698
1997		Babcock & Brown	NYC		Greenwich	CT	3,508
1997		Alexander Westcott & Co.	NYC		Melville	NY	2,974
1997		Overseas Development Corp.	NYC		Stamford	CT	2,320
1996		Icon International	NYC		Stamford	CT	50,000
1996		Creditanstalt Bankverein AG	NYC		Greenwich	CT	37,000
1996		BGC Technologies	NYC		Stamford	CT	25,000
1996		WLI Systems Inc.	NYC		Melville	NY	25,000
1996		Marcum & Klegman LLP	NYC		Greenwich	CT	22,000
1996	Regional HQ	Smith Barney	NYC		Westport	CT	22,000
1996		Dana Perfumes Corp	NYC		Stamford	CT	15,359
1996		Time-Warner Cable - Co's Escalibur Group	NYC		Stamford	CT	10,000
1996		Penoles Metals & Chemical Inc.	NYC		Stamford	CT	8,800
1996		Win Properties Inc.	NYC		Greenwich	CT	7,303
1996		Kovacs Gourmet	NYC		Stamford	CT	6,000
1996		LTCS Latinamerica	NYC		Stamford	CT	4,000
1996		Stamford Capital	NYC		Stamford	CT	4,000
1996		Dwyer & Rossi Capital Mgmt.	NYC		Stamford	CT	2,317
1996		Bennit Management	NYC		Stamford	CT	2,000
1996		Slevenson Royce Company	NYC		Stamford	CT	1,226
1995		Outdoor Life	NYC		Stamford	CT	30,000
1995		World Color Press	NYC		Greenwich	CT	30,000
1995		Kennar Advisory Inc.	NYC		Greenwich	CT	17,000
1995		Tader Investments	NYC		Greenwich	CT	17,000
1995		Air Freight Company	NYC		Greenwich	CT	17,000
1995		Good Directions	NYC		Garden City	NY	14,100
1995		Concurency Mgmt.	NYC		Danbury	CT	10,000
1995		New Alliance Corp	NYC		Greenwich	CT	9,061
1995		Integrated Resources	NYC		Stamford	CT	8,910
1995		The Todd Organization	NYC		Stamford	CT	4,700
1995		Innovative Sourcing	NYC		Stamford	CT	4,400
1995		Contrarian Capital Mgmt.	NYC		Greenwich	CT	4,365
1995		Turnberry Capital	NYC		Greenwich	CT	3,700
1994	H	Swiss Bank Corp	NYC		Stamford	CT	573,000
1994	H	Wiso Chemical Corp	520 Madison Ave	58,500	Greenwich	CT	292,706
1994	H	Daymon Associates	NYC		Stamford	CT	100,000
1994	H	Lewco Securities Corp.	2 Bway	72,000	Jersey City	NJ	75,234
1994	H	Prabon Yamane USA	55 Broadway	36,000	Jersey City	NJ	83,372
1994		Virgin Atlantic Airways	NYC		Norwalk	CT	41,000
1994		Boardroom Reports Inc.	NYC		Stamford	CT	36,160
1994		JMW Consultants	NYC		Stamford	CT	15,204
1994		H.J. Dekar & Bro. Inc.	NYC		Stamford	CT	15,000
1994		Mutual Of New York	NYC		Stamford	CT	15,000
1994		JH Whitney	NYC		Stamford	CT	14,000
1994		Cowles Magazine Inc.	NYC		Stamford	CT	13,000
1994		ASI	NYC		Stamford	CT	11,633
1994		Creditatadid	NYC		Greenwich	CT	10,900
1994		Repap Sales Corp	NYC		Stamford	CT	9,000
1994		Stephen L. Geller, Inc.	NYC		Greenwich	CT	6,165
1994		American Signature	NYC		Greenwich	CT	5,000
1994		Osborn Communications	NYC		Greenwich	CT	4,500
1994		Munch RE	NYC		Stamford	CT	4,000
1994		Transcontinental Capital	NYC		Greenwich	CT	3,400
1994		Entersport Mgmt.	NYC		Stamford	CT	2,920
1994		R.B. Haave Associates	NYC		New Canaan	CT	2,700
1994		Creative Media Applications	NYC		Westport	CT	1,499
1994	H	Sage Worldwide	NYC		Greenwich	CT	1,000
1994	H	Brown Brothers Hamman & Co.	59-63 Wall Street	100,000	Jersey City	NJ	
1994	H	Dun & Bradstreet Corp	299 Park Ave	150,000	Wilton	CT	
1994		Mastercard	1345 Avenue of the Americas		White Plains	NY	
1993	H	American Home Products	685 Third Ave		Madison	NJ	351,300
1993	H	First Chicago Trust Co.	787 Seventh	82,000	Jersey City	NJ	240,000
1993		Price Waterhouse Int'l Assignment Tax Service	NYC		Stamford	CT	22,340
1993		Long Term Capital	NYC		Greenwich	CT	17,000

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1993		Thomson Corporation	NYC		Greenwich	CT	17,000
1993		A.T. Clayton & Co.	NYC		Greenwich	CT	15,000
1993		In-Store Advertising	NYC		Greenwich	CT	14,583
1993		Andrey Partners	NYC		Greenwich	CT	10,000
1993		US Trust Company	NYC		Stamford	CT	10,000
1993		Wenden & Co. LLP	NYC		Greenwich	CT	6,000
1993		Sanko Kase USA Corp	NYC		Greenwich	CT	4,000
1993		Aluitt Holdings L.P.	NYC		Greenwich	CT	3,958
1993		M.D. Revenues Inc.	NYC		Stamford	CT	2,495
1993		Jetties & Co.	NYC		Stamford	CT	2,100
1993		Technical Information Distribution Service	NYC		Westport	CT	1,800
1993		Laszio Briny Associates	NYC		Greenwich	CT	1,356
1993		Alrium Capital Corp	NYC		Greenwich	CT	1,072
1992		JC Penny	1301 Avenue of the Americas		Dallas	TX	1,500,000
1992	H	Merri Lynch	2 World Financial Ctr		Jersey City	NJ	560,000
1992	H	Diawoo International	437 Madison Ave	15,600	Ridgefield Park	NJ	213,000
1992	H	Quadriga Art Inc.	11 East 26th Street		Parsippany	NJ	190,000
1992	H	Escada USA	1412 Broadway	18,400	Hasbrouck	NJ	185,000
1992	H	American Institute Of CPAs	1211 Ave of Americas	150,000	Jersey City	NJ	180,000
1992	H	Mitzi International	11 East 33rd Street	12,500	Newark	NJ	100,000
1992	H	P.R. Newsweek Service	150 East 58th Street	15,750	Jersey City	NJ	20,000
1992	H	Avul Johnson Company	110 East 59th St	38,687	Stamford	CT	18,600
1992	H	Crane Company	757 Third Ave	20,000	Stamford	CT	
1992	H	Handy & Harman	850 Third Avenue	33,200	Rye	NY	
1991	H	Philip Morris	100 Park Avenue	225,000	Rye Brook	NY	560,000
1991	H	Salvation Army	120 W14th/145 W15th		West Nyack	NY	120,000
1991	H	Home Insurance Co.	59 Malden Lane		Jersey City	NJ	73,000
1991	H	Neonax Artley & Pearce Inc.	88 Pine Street	40,000	Jersey City	NJ	50,000
1991	H	Oriz Commercial Alliance Corp.	770 Lexington Ave	23,000	Secaucus	NJ	40,000
1991		American Airlines	633 Third		Dallas	TX	
1991		AT&T	550 Madison	750,000	Phoenix	AZ	
1991		FDIC	452 Fifth Avenue	92,400	Monmouth Junction	NJ	
1991		MacMillan Inc.	866 Third		Greenwich	CT	
1990		Leavitt Advertising	225 West 34th Street	21,513	Weehawken	NJ	82,000
1990		Kuehne & Nagel	1 World Trade Center	32,000	Jersey City	NJ	35,000
1990		Schenker International	1 World Trade Center	20,000	Jersey City	NJ	35,000
1990		US Office of Trade Supervision	1 World Trade Center		Jersey City	NJ	35,000
1990	H	Tap Air Portugal	1140 Ave of Americas	9,200	Newark	NJ	20,000
1990		International Systems	140 East 45th St		Stamford	CT	

Home Office:	Total Selected Companies	6,600,508
	All Others	3,341,325
	Sub-Total	9,941,833
	Count	130
Back Office:	Total Selected Companies	1,345,000
	All Others	33,675
	Sub-Total	1,378,675
	Count	8
Grand Total:	Total Selected Companies	7,845,508
	All Others	3,375,000
	Total	11,220,508

1989	H	John Lem Fashion Group	129 Lafayette St	80,000	College Point	NY	80,000
1989	H	Atlantic Bank	960 Ave of Americas	40,000	Astoria	NY	50,000
1989		RJR Nabisco			Atlanta	GA	
1988	H	Polarome Manufacturing Co.	22 Encoson Pl	160,000	Jersey City	NJ	280,000
1988	H	Maersk Line LTD	1 World Trade Center	250,000	Madison	NJ	148,000
1988	H	Intercontinental Hotels Corp	1120 Ave of Americas	50,000	Montville	NJ	75,000
1988	H	KLM Royal Dutch Airlines	17 Madison Ave	60,000	Elmsford	NY	67,550
1988	H	Conti IFG Inc.	83 Pine, 15 Maiden		Stamford	CT	62,000
1988	H	Panorama Press	460 West 34th St	90,000	Citron	NJ	48,000
1987		Mobil	NYC	1,200,000	Fairfax	VA	1,250,000
1987	H	TWA	605 Third Ave	70,000	Mt. Kisco	NY	1,000,000
1987	H	U.S. Life Insurance	125 Maiden Lane		Neptune	NJ	500,000
1987	H	American RE-Insurance	100 William St		Princeton	NJ	360,000
1987	H	ADP	22 & 42 Broadway		Jersey City	NJ	300,000
1987	H	DJW	120 Broadway	300,000	Jersey City	NJ	294,000
1987	H	Deloitte, Haskins & Sells	1114 Ave Of Americas	100,000	Wilton, Nashville	CT, TN	177,000
1987	H	Lord West	45 West 18th St	90,000	Woodside	NY	140,000
1987	H	American Savings Bank	380 Madison/85 Worth St	100,000	White Plains	NY	115,000
1987	H	Commonwealth Inc.	524 East 73rd St		Elmsford	NY	100,000
1987	H	Amstar	1251 Ave Of Americas	95,000	Stamford	CT	10,000
1987	H	Associated Metal And Minerals Corp	30 Rockefeller Plaza		White Plains	NY	
1986	H	Eaton Corp	1251 Ave Of Americas		Florham Park	NJ	360,000
1986	H	Securities Ind Automation Corp	55 Water Street	125,000	Metrotech, Bklyn	NY	328,000
1986	H	Murdoch Magazines	1 Park Avenue		Secaucus	NJ	300,000
1986	H	International Paper Co.	1166 AOFA, 245 Park	581,298	Purchase, Memphis	NY, TN	279,250
1986	H	Buck Consultants	2 Penn Plaza		Secaucus	NJ	250,000
1986	H	Hertz Corp	660 Madison	149,300	Park Ridge	NJ	219,000
1986	H	American Brands	245 Park Ave	470,000	Old Greenwich	CT	178,000
1986	H	ADT	2 World Trade Center	90,000	Parapony	NJ	142,000
1986	H	British Airways	245 Park Ave	79,000	Jackson Heights	NY	140,000
1986	H	US Post Office (NE Region)	1633 Broadway		Windsor	CT	83,000
1986	H	American Tobacco	245 Park Ave		Stamford	CT	67,000
1986	H	Great Lakes Carbon Corp	299 Park Ave	22,000	Bedford Manor	NY	60,000
1986	H	Seaboard Surety	88 Pine		Bedminster	NY	54,528
1986	H	Herman Kay Co.	214 West 39th Street	25,000	Brux	NY	50,000
1985	H	American Bureau of Shipping	65 Broadway	180,000	Paramus	NJ	167,000
1985	H	Transamerica Interway	522 Fifth Ave	75,000	White Plains	NY	117,000
1985	H	Quast Int'l	919 Third		ML Olive	NJ	114,000
1985	H	Dollar Dry Dock Savings	750 Lexington Ave		White Plains	NY	110,000
1985	H	HR International	1 World Trade Center		Edison	NJ	66,000
1985	H	Falini & Cohn	14 East 38th Street		Brantford	CT	55,000
1984	H	European American Bank	7 Hanover Sq		Unonide	NY	1,500,000
1984	H	AT&T Technologies	222 Broadway		Barkely Heights	NJ	438,000
1984	H	MONEY Financial Services	1700 Broadway		Purchase	NY	200,000
1984	H	Hitachi America	437 Madison Ave	25,000	Tarrytown	NY	70,000
1984	H	Fuji Photo Film Floppy Disc	350 Fifth Avenue	28,000	Elmsford	NY	50,000
		Kawasaki Kisen Kaisha	1 World Trade Center		Murray Hill	NJ	

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EDSSR 000604

To assess the economic impact of rebuilding the WTC on Downtown and New York City, A.T. Kearney applied a bottom-up approach using alternative economic scenarios, a proprietary multi-sector model and the IMPLAN⁽¹⁾ tool

A.T. Kearney Framework For Assessing Economic Impact

Outputs

Job Creation In Downtown and New York City	Incremental Gross City Product (GCP)
<ul style="list-style-type: none"> Direct: Jobs created in industries directly affected by the WTC rebuilding Indirect: Job increases in businesses supporting employers and their staff directly affected by the WTC rebuilding, and as a result of additional household consumption by those individuals 	<ul style="list-style-type: none"> Direct: The economic value added in NYC (primarily wages and profits) of activities directly related to the WTC rebuilding Indirect: Value added activities of supporting businesses and as a result of additional household consumption by those individuals

Sector

Approach

- A.T. Kearney multi-sector model, using a bottom up approach
- IMPLAN input-output model⁽¹⁾

1. Infrastructure Redevelopment	2. WTC Construction Activities
3. Office Tenant Impact	4. Residential Impact
5. Retail Impact	6. Community Businesses Impact
	7. Tourism Impact

Economic Scenarios

Optimistic Case	Base Case	Pessimistic Case
<ul style="list-style-type: none"> Average annual employment growth 2001-11E: 1.3% 	<ul style="list-style-type: none"> Average annual employment growth 2001-11E: 1.1% 	<ul style="list-style-type: none"> Average annual employment growth 2001-11E: 0.8%

Note:

- (1) IMPLAN estimates the indirect and induced (referred throughout this document jointly as Indirect) effects throughout the City economy of various activities related to the rebuilding of the WTC. Originally developed by the Federal government, IMPLAN utilizes data on national and local inter-industry transactions to model the effects of regional economic changes. Indirect impact are effects on businesses supplying industries directly impacted. Induced effects result from the change in household consumption caused by gained earnings in industries directly and indirectly impacted.
- (2) 2000 NYC GCP is \$440 billion; 2000 NYC non-farm employment is 3.72 million; 1995-2000 NYC annual employment growth, 2%

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Economic Impact Findings

The economic impact of rebuilding the WTC on the City's vitality and health can not be overstated. Between 2002 and 2011, rebuilding could contribute an incremental \$65 billion to Gross Product and create 74,000 direct jobs in Downtown. Rebuilding would also symbolize New York and Downtown's determination to recover and flourish. Without it, the future of the Downtown business community is at risk

- Efforts to redevelop the infrastructure will stimulate the Downtown community in the near term – stopping the financial hemorrhaging
- Construction activities, through increasing demand for skilled trade labor and locally sourced materials, where possible, will improve the City's labor market and provide a notable "flow-through" effect on regional businesses
- Upon completion of rebuilding the WTC, office tenants will provide a significant economic impetus to both the Downtown community and the overall City's longer term vitality
- Rebuilding the WTC office space will have a direct effect on the buoyancy of the residential market in Lower Manhattan
- A diverse retail base will be a critical component for re-invigorating the sense of a Downtown community
- The rebirth of community-based businesses, a sector devastated by the WTC collapse and ensuing exodus of anchor tenants, will only occur if the WTC is rebuilt
- Tourism revenues resulting from the WTC memorial will have a significant effect on the Lower Manhattan business community and other cultural attractions

	Downtown	New York City
Cumulative GCP 2002 - 2011	\$64.86 Billion	\$13.65 Billion (incremental)
Job Creation 2002 - 2011	74,000 direct jobs	28,000 direct and indirect jobs

Note:

- (1) Downtown pre 9/11 annual GCP is estimated to be \$73 billion (South of Chambers Street)
- (2) Downtown pre 9/11 jobs were estimated to be approximately 370,000 (South of Chambers Street)
- (3) 2000 NYC annual GCP was approximately \$440 billion

The economic impact of rebuilding the WTC extends across numerous sectors of the Downtown economy and is essential to Downtown's vitality and economic health. The City as a whole would benefit as well.

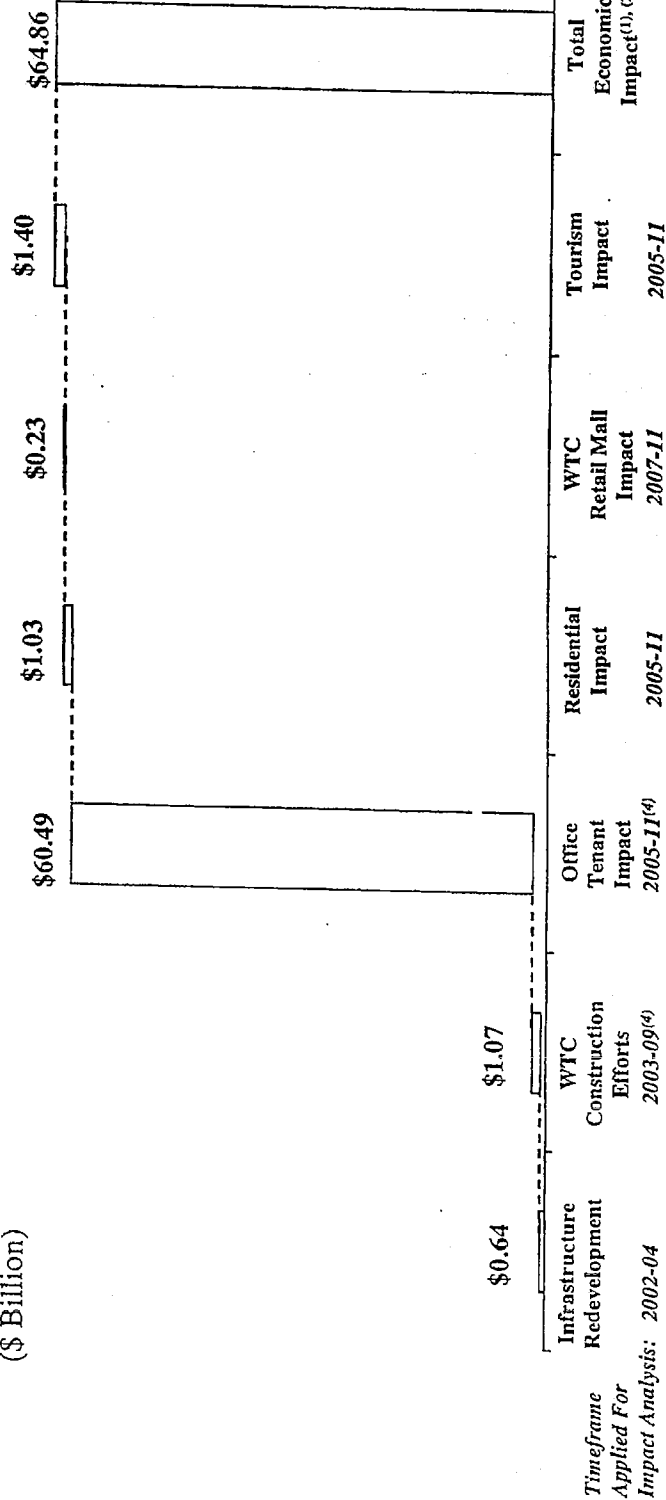
Summary Findings

Sector	Relevance	Downtown GCP	Job Creation Downtown ⁽¹⁾	Incremental GCP Contribution (Cumulative 2002-2011)	Job Creation NYC ⁽¹⁾
Transportation and Utilities Infrastructure Redevelopment	Essential to restore commerce and attract workforce. A rebuilt WTC could also be impetus for eventual mega-projects such as \$20 billion for new rail lines	\$644.00 million	3,865 Avg. annual FTE for 2002 - 2004	\$ 1.00 billion	5,700 Avg. annual FTE for 2002 - 2004
WTC Construction	Immense symbolic value along with the near term hard dollar and employment benefits lasting through 2009	\$ 1.07 billion	2,750 Avg. annual through 2009	\$2.85 billion	6,450 avg. annual through 2009
Office Tenants	Tenant mix would affect job creation and GCP, and also influence the character of Downtown businesses and neighborhoods	\$ 60.49 billion	60,000 by 2011	\$6.50 billion	4,800 direct; 5,800 indirect
Residential	Downtown residents would provide 24/7 vitality and define social/community fabric	\$ 1.03 billion	3,570 by 2011	\$1.10 billion	4,500 by 2011
Retail (WTC Mall and other retail Downtown)	Rebuilt WTC Mall would drive retail employment, serve unmet needs of area residents, and spur other retailers to open	\$ 255.00 million	1,500 by 2011	\$532.00 million	2,466 by 2011
Community Businesses	Diverse small businesses are considered as indirect beneficiaries of other sectors	\$283.00 million	1,493 by 2011	\$283.00 million	1,493 by 2011
Tourism	New WTC would draw tourists and other City residents to this site and other Downtown attractions	\$1.40 billion	9,180	\$1.86 billion	11,109

Note: (1) Downtown jobs are assumed to be the Direct jobs; NYC jobs are assumed to be Direct and Indirect jobs

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Rebuilding the WTC will contribute approximately \$65 billion to Downtown between 2002 and 2011
Economic Impact Of Rebuilding The WTC On Downtown
Base Case, Cumulative Total for 2002E-11E, Direct and Indirect GCP⁽³⁾
(\$ Billion)



Notes:

(1) Community Business incremental impact of \$272 million is the flow through benefits from other sectors (Infrastructure \$15 million; Construction \$81 million; Office Tenants \$104 million; Residential \$31 million; Retail Mall \$4 million; Tourism \$37 million) that can be attributed to Community Businesses (Community-based businesses are defined as small independent retail establishments and restaurants operating south of Chambers Street. Excludes large retail and professional service firms. Revenues estimated at less than \$2 million per year. Based on Alliance for Downtown estimates.

(2) Downtown Retail incremental impact of \$255 million is the direct & indirect impact of the WTC retail mall (\$218 million) plus the indirect retail effects of all other sectors (Infrastructure \$1 million; Construction \$2.5 million; Office Tenants \$19 million; Residential \$9 million; Tourism \$5 million)

(3) Gross City Product (GCP) is the economic value added generated in the City which included primarily wages and profits; Incremental GCP is the increase in GCP attributed to the WTC rebuilding

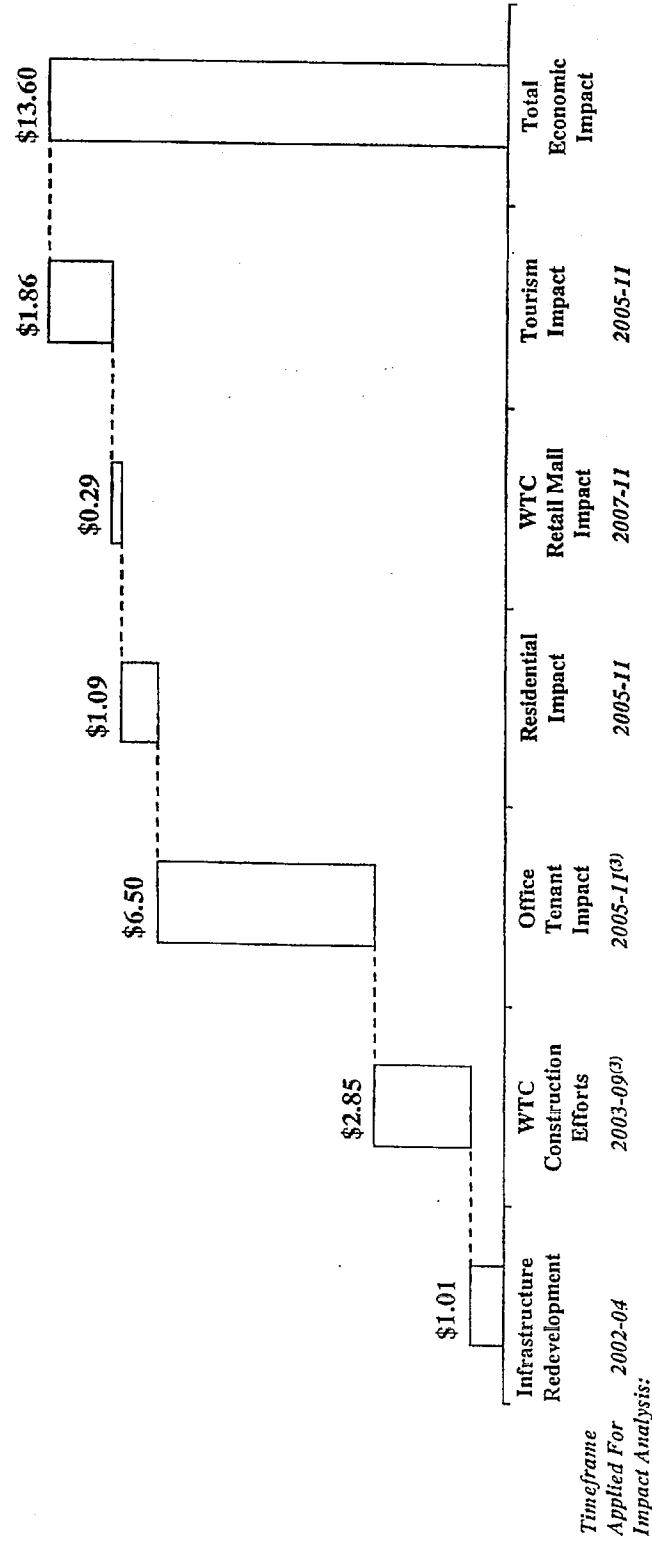
(4) Assumed construction schedule: Foundation work begins Jan. 03 and Jan. 04 in East and West sections of the grounds respectively. WTC 7 construction begins Mar. 03 requiring 24 months to complete. Tower 1, Tower 2, Tower 3, Tower 4 construction begins Jun. 04, Jun. 05, Jun. 06 and Jun. 07 respectively, each requiring 31 months to complete. The retail mall construction is assumed to coincide with Towers 1-4 with 25% of the retail mall completed with each tower.

Source: A.T. Kearney analysis

EDSSR 000608

For NYC as a whole, rebuilding the WTC will contribute over \$13 billion, on an incremental basis, to the City Gross Product between 2002 and 2011

**Incremental Economic Impact Of Rebuilding The WTC On New York City⁽²⁾
Base Case, Cumulative Total for 2002E-11E, Direct and Indirect GCP
(\$ Billion)**



Notes:

(1) Gross City Product (GCP) is the economic value added generated in the City which included primarily wages and profits; Incremental GCP is the increase in GCP attributed to the WTC rebuilding

(2) New York City GCP impact is less than that of Downtown since Downtown economic activity impact is partially due to shifting of activity from other parts of New York City. While such shifting represents a gain to Downtown, it is not a gain for New York City overall

(3) Assumed construction schedule: Foundation work begins Jan. 03 and Jan. 04 in East and West sections of the grounds respectively. WTC 7 construction begins Mar. 03 requiring 24 months to complete. Tower 1, Tower 2, Tower 3, Tower 4 construction begins Jun. 04, Jun. 05, Jun. 06 and Jun. 07 respectively, each requiring 31 months to complete. The retail mall construction is assumed to coincide with Towers 1-4 with 25% of the retail mall completed with each tower.

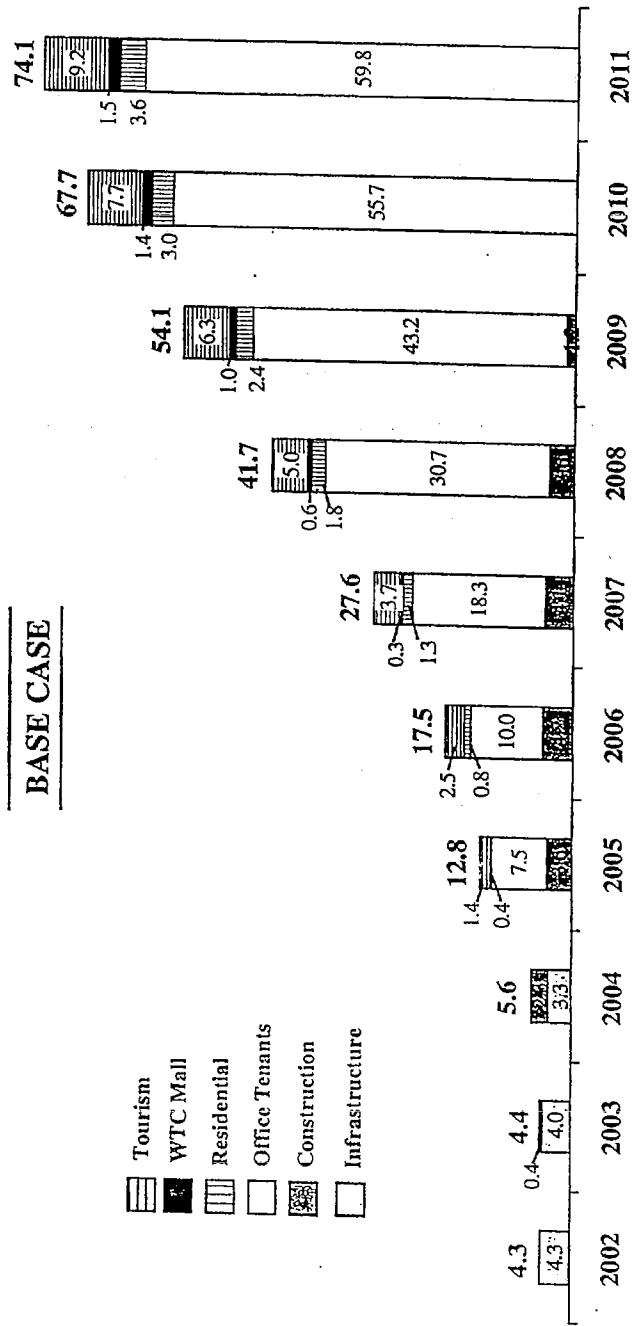
Source: A.T. Kearney analysis

A.T. Kearney 17/19329-cj 28

EDSSR 000609

The new WTC would create approximately 74,000⁽¹⁾ direct jobs Downtown, with the WTC office tenants accounting for approximately 80 percent of the jobs created over the period

Cumulative Impact On Direct Job Creation (Full-Time Equivalents)⁽²⁾ Of Rebuilding the WTC - Downtown, 2002E-11E⁽³⁾
Direct Jobs only (000s)



Note:

(1) Net new jobs in Downtown. Assumes 90% of the WTC office workers relocate from locations other than Downtown

(2) Full-Time Equivalent (FTE) is the labor equivalent of one fully employed person in a year

(3) New York City employment in 2001: 3.7 million; Average forecasted annual growth in employment from 2001-2005: 42,300 jobs City of New York Office of the Comptroller; Crain's New York; A.T. Kearney analysis

Source:

BASE CASE

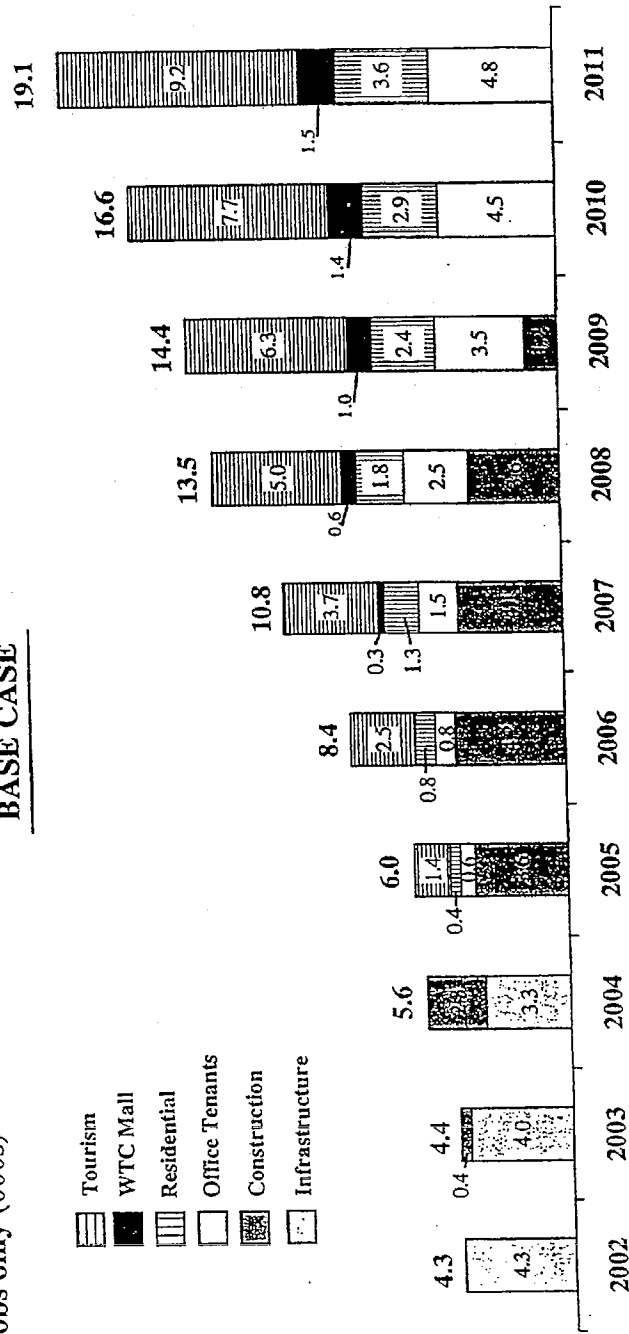
STRUCTURE (not necessarily contain new transportation)										4.18		5.60		6.00		7.00		8.00		9.00		10.00		11.00		12.00		13.00		14.00		15.00		16.00		17.00		18.00		19.00		20.00		21.00		22.00		23.00		24.00		25.00		26.00		27.00		28.00		29.00		30.00		31.00		32.00		33.00		34.00		35.00		36.00		37.00		38.00		39.00		40.00		41.00		42.00		43.00		44.00		45.00		46.00		47.00		48.00		49.00		50.00		51.00		52.00		53.00		54.00		55.00		56.00		57.00		58.00		59.00		60.00		61.00		62.00		63.00		64.00		65.00		66.00		67.00		68.00		69.00		70.00		71.00		72.00		73.00		74.00		75.00		76.00		77.00		78.00		79.00		80.00		81.00		82.00		83.00		84.00		85.00		86.00		87.00		88.00		89.00		90.00		91.00		92.00		93.00		94.00		95.00		96.00		97.00		98.00		99.00		100.00		101.00		102.00		103.00		104.00		105.00		106.00		107.00		108.00		109.00		110.00		111.00		112.00		113.00		114.00		115.00		116.00		117.00		118.00		119.00		120.00		121.00		122.00		123.00		124.00		125.00		126.00		127.00		128.00		129.00		130.00		131.00		132.00		133.00		134.00		135.00		136.00		137.00		138.00		139.00		140.00		141.00		142.00		143.00		144.00		145.00		146.00		147.00		148.00		149.00		150.00		151.00		152.00		153.00		154.00		155.00		156.00		157.00		158.00		159.00		160.00		161.00		162.00		163.00		164.00		165.00		166.00		167.00		168.00		169.00		170.00		171.00		172.00		173.00		174.00		175.00		176.00		177.00		178.00		179.00		180.00		181.00		182.00		183.00		184.00		185.00		186.00		187.00		188.00		189.00		190.00		191.00		192.00		193.00		194.00		195.00		196.00		197.00		198.00		199.00		200.00		201.00		202.00		203.00		204.00		205.00		206.00		207.00		208.00		209.00		210.00		211.00		212.00		213.00		214.00		215.00		216.00		217.00		218.00		219.00		220.00		221.00		222.00		223.00		224.00		225.00		226.00		227.00		228.00		229.00		230.00		231.00		232.00		233.00		234.00		235.00		236.00		237.00		238.00		239.00		240.00		241.00		242.00		243.00		244.00		245.00		246.00		247.00		248.00		249.00		250.00		251.00		252.00		253.00		254.00		255.00		256.00		257.00		258.00		259.00		260.00		261.00		262.00		263.00		264.00		265.00		266.00		267.00		268.00		269.00		270.00		271.00		272.00		273.00		274.00		275.00		276.00		277.00		278.00		279.00		280.00		281.00		282.00		283.00		284.00		285.00		286.00		287.00		288.00		289.00		290.00		291.00		292.00		293.00		294.00		295.00		296.00		297.00		298.00		299.00		300.00		301.00		302.00		303.00		304.00		305.00		306.00		307.00		308.00		309.00		310.00		311.00		312.00		313.00		314.00		315.00		316.00		317.00		318.00		319.00		320.00		321.00		322.00		323.00		324.00		325.00		326.00		327.00		328.00		329.00		330.00		331.00		332.00		333.00		334.00		335.00		336.00		337.00		338.00		339.00		340.00		341.00		342.00		343.00		344.00		345.00		346.00		347.00		348.00		349.00		350.00		351.00		352.00		353.00		354.00		355.00		356.00		357.00		358.00		359.00		360.00		361.00		362.00		363.00		364.00		365.00		366.00		367.00		368.00		369.00		370.00		371.00		372.00		373.00		374.00		375.00		376.00		377.00		378.00		379.00		380.00		381.00		382.00		383.00		384.00		385.00		386.00		387.00		388.00		389.00		390.00		391.00		392.00		393.00		394.00		395.00		396.00		397.00		398.00		399.00		400.00		401.00		402.00		403.00		404.00		405.00		406.00		407.00		408.00		409.00		410.00		411.00		412.00		413.00		414.00		415.00		416.00		417.00		418.00		419.00		420.00		421.00		422.00		423.00		424.00		425.00		426.00		427.00		428.00		429.00		430.00		431.00		432.00		433.00		434.00		435.00		436.00		437.00		438.00		439.00		440.00		441.00		442.00		443.00		444.00		445.00		446.00		447.00		448.00		449.00		450.00		451.00		452.00		453.00		454.00		455.00		456.00		457.00		458.00		459.00		460.00		461.00		462.00		463.00		464.00		465.00		466.00		467.00		468.00		469.00		470.00		471.00		472.00		473.00		474.00		475.00		476.00		477.00		478.00		479.00		480.00		481.00		482.00		483.00		484.00		485.00		486.00		487.00		488.00		489.00		490.00		491.00		492.00		493.00		494.00		495.00		496.00		497.00		498.00		499.00		500.00		501.00		502.00		503.00		504.00		505.00		506.00		507.00		508.00		509.00		510.00		511.00		512.00		513.00		514.00		515.00		516.00		517.00		518.00		519.00		520.00		521.00		522.00		523.00		524.00		525.00		526.00		527.00		528.00		529.00		530.00		531.00		532.00		533.00		534.00		535.00		536.00		537.00		538.00		539.00		540.00		541.00		542.00		543.00		544.00		545.00		546.00		547.00		548.00		549.00		550.00		551.00		552.00		553.00		554.00		555.00		556.00		557.00		558.00		559.00		560.00		561.00		562.00		563.00		564.00		565.00		566.00		567.00		568.00		569.00		570.00		571.00		572.00		573.00		574.00		575.00		576.00		577.00		578.00		579.00		580.00		581.00		582.00		583.00		584.00		585.00		586.00		587.00		588.00		589.00		590.00		591.00		592.00		593.00		594.00		595.00		596.00		597.00		598.00		599.00		600.00		601.00		602.00		603.00		604.00		605.00		606.00		607.00		608.00		609.00		610.00		611.00		612.00		613.00		614.00		615.00		616.00		617.00		618.00		619.00		620.00		621.00		622.00		623.00		624.00		625.00		626.00		627.00		628.00		629.00		630.00		631.00		632.00		633.00		634.00		635.00		636.00		637.00		638.0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For New York City as a whole, the rebuilt WTC is likely to create approximately 19,000⁽¹⁾ net new direct jobs by 2011

Cumulative Impact On Incremental Direct Job Creation (Full-Time Equivalents)⁽²⁾ Of Rebuilding the WTC – New York City⁽⁴⁾, 2002E-11E⁽³⁾
Direct Jobs only (000s)

BASE CASE



Note:

- (1) Net new jobs to New York City
- (2) Full-Time Equivalent (FTE) is the labor equivalent of one fully employed person in a year
- (3) New York City Employment in 2001: 3.7 million; Average forecasted annual change 2001-2005: 42,300 jobs
- (4) New York City employment impact is less than that of Downtown since Downtown employment impact is partially due to shifting of jobs from other parts of New York City. While such shifting represents a gain to Downtown, it is not a gain for New York City. A.T. Kearney analysis

Source: City of New York Office of the Comptroller; Crain's New York; A.T. Kearney analysis

BASE CASE

[illegible]

WATERFALL

☐ JOBS - IGNORE

INFRASTRUCTURE CONSTRUCTION	OFFICE TENANTS	RESIDENTIAL	WTC RETAIL	TOTAL	SMALL BUSINESS	OT RETAIL	OT OFFICE

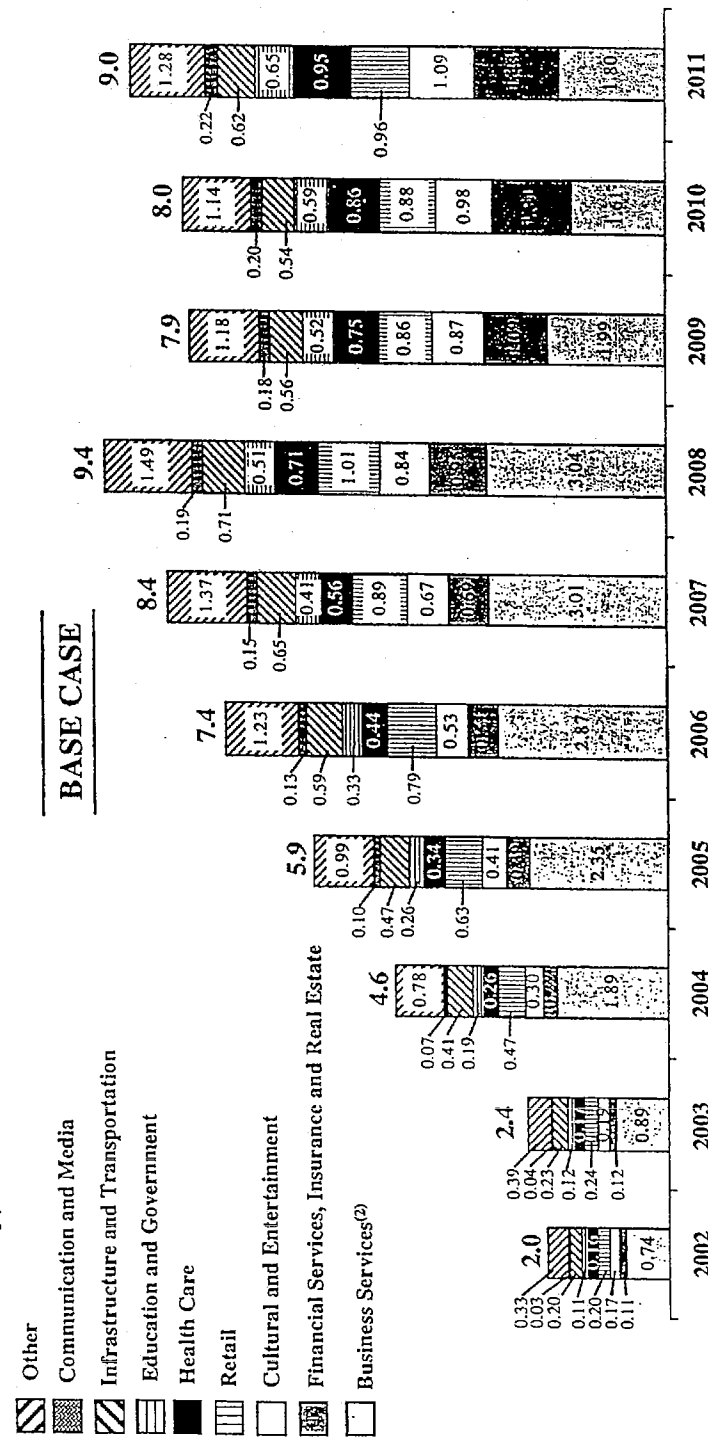
ВЫВОДЫ

		2003	2004	2005	2006	2007	2008	2009	2010	2011
JOPS	Direct	7.3	7.2	7.4	7.4	7.4	7.4	7.4	7.4	7.4
	Flow Through	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2
	Direct	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
	Total	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
OCP	Direct	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
	Flow Through	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Direct	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Total	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
OTBAR CHART										
JOPS	Direct	4.3	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
	Flow Through	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
	Direct	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
	Total	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
OCP	Direct	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
	Flow Through	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Direct	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Total	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Secondary Chart										
JOPS	Direct	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
	Flow Through	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
	Direct	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Total	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
JOPS New York										
JOPS	Direct	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
	Flow Through	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
	Direct	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Total	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Percentage Chart										
JOPS	Direct	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
	Flow Through	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
	Direct	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Total	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Blocked Bar Chart										
JOPS	Direct	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
	Flow Through	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
	Direct	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Total	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Downstream										
JOPS	Direct	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
	Flow Through	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
	Direct	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Total	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

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Along with the direct jobs, the rebuilt and reoccupied WTC should generate over 9,000 indirect jobs by 2011, in a variety of industries

Annual Impact On Indirect Job⁽¹⁾ Creation (Full-Time Equivalents) Of Rebuilding the WTC - New York City, 2002E-11E, (000s)



Note: (1) Indirect jobs are created through the flow-through effects of infrastructure, construction, office tenants, residential, WTC retail mall, and tourism impacts

(2) Including services such as: accounting, consulting, architects, professional services etc.

Source: A.T. Kearney 17/19329-cj 31

Pg. 31 Flowthrough Jobs

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
FIRE	110	124	218	390	507	694	947	1,094	1,309	1,433
Business Services	737	895	1,889	2,353	2,866	3,005	3,038	1,988	1,605	1,799
Communications and Media	33	39	71	99	128	155	186	182	200	225
Infrastructure and Transportation	197	229	408	471	591	655	708	563	543	615
Cultural and Entertainment	172	189	304	410	533	669	835	865	983	1,094
Education and Government	108	119	194	256	328	410	509	520	588	651
Health Care	161	173	264	341	439	560	711	751	862	952
Retail	199	236	472	633	785	892	1,006	860	874	966
Other	327	391	779	995	1,234	1,367	1,486	1,183	1,143	1,275
TOTAL	2,043	2,396	4,599	5,948	7,413	8,408	9,426	8,007	8,107	9,011
Business Services	0.74	0.89	1.89	2.35	2.87	3.01	3.04	1.99	1.61	1.80
FIRE	0.11	0.12	0.22	0.39	0.51	0.69	0.95	1.09	1.31	1.43
Cultural and Entertainment	0.17	0.19	0.30	0.41	0.53	0.67	0.84	0.87	0.98	1.09
Retail	0.20	0.24	0.47	0.63	0.79	0.89	1.01	0.86	0.87	0.97
Health Care	0.16	0.17	0.26	0.34	0.44	0.56	0.71	0.75	0.86	0.95
Education and Government	0.11	0.12	0.19	0.26	0.33	0.41	0.51	0.52	0.59	0.65
Infrastructure and Transportation	0.20	0.23	0.41	0.47	0.59	0.65	0.71	0.56	0.54	0.62
Communications and Media	0.03	0.04	0.07	0.10	0.13	0.15	0.19	0.18	0.20	0.22
Other	0.33	0.39	0.78	0.99	1.23	1.37	1.49	1.18	1.14	1.28

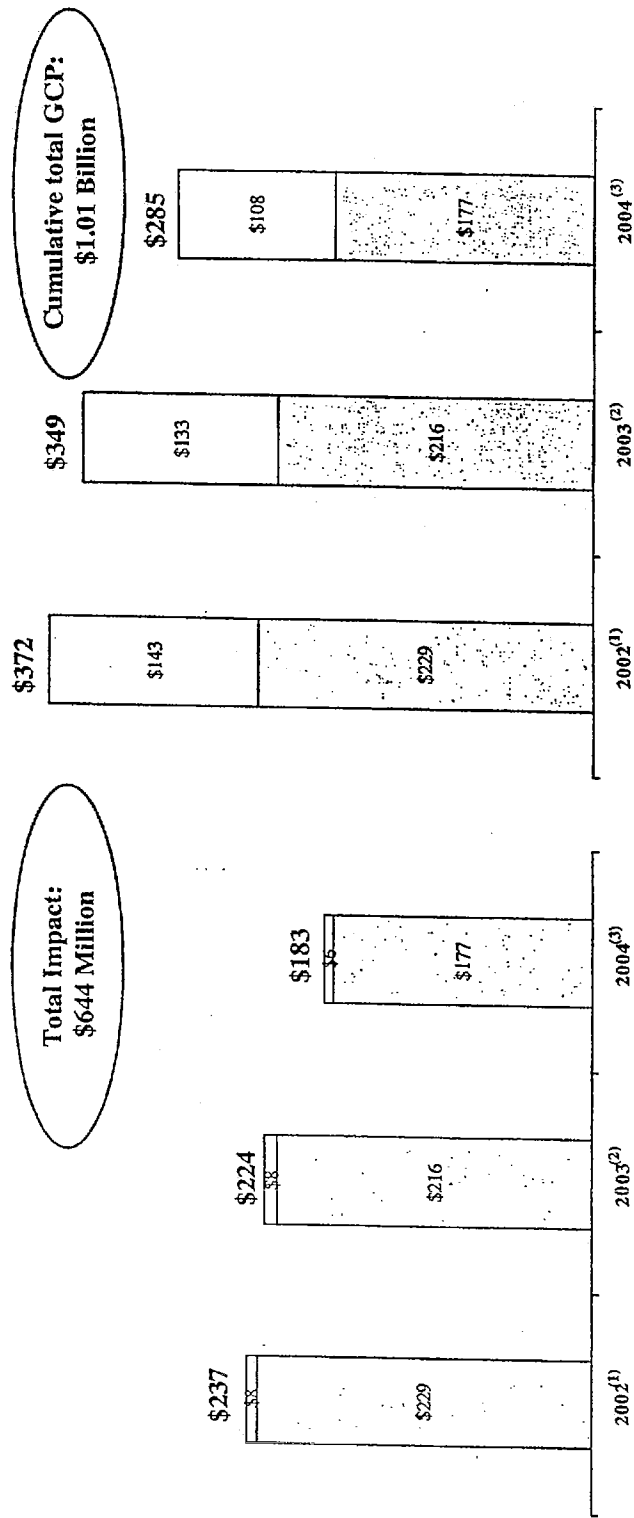
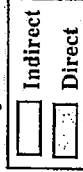
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Impact of Rebuilding on Infrastructure Redevelopment

As noted in the recent New York City Partnership report, it is essential for the City to fast-track the rebuilding of the Downtown power, transportation and telecom infrastructure. Along with other benefits, infrastructure rebuilding is likely to trigger \$644 million of GCP in Downtown and add \$1 billion to the City economy over three years

Incremental Annual GCP For Downtown 2002E-2004E, (\$Million)

Incremental Annual GCP for New York City 2002E-2004E, (\$Million)



Notes: (1) Includes reconstruction of Subway, Path, Con Ed station and Street paving
(2) Includes reconstruction of Subway, Path plus half year of Con Ed station and Street paving
(3) Includes reconstruction of Subway and Path

Sources: IMPLAN model; NY State Department of the Budget; NYCP Transportation and Energy sector reports; U.S. Department of Transportation; Bovis Lend Lease; NY State Department Of Labor; Transit Capital Cost Index Study; A. T. Kearney analysis

A. T. Kearney 17/19329-cj 32

Total Value Added Impact		5-Dec-01							
IMPACT NAME	Infrastructure - All	MULTIPLIER: Type SAM	Industry	Direct*	Indirect*	Induced*	Total Indirect	Total	Category
1 Dairy Farm Products	-	-	-	-	-	-	-	-	Other
2 Poultry and Eggs	-	-	-	-	-	-	-	-	Other
3 Ranch Fed Cattle	-	-	-	-	-	-	-	-	Other
4 Range Fed Cattle	-	-	-	-	-	-	-	-	Other
5 Cattle Feedlots	-	-	-	-	-	-	-	-	Other
6 Sheep- Lambs and Goats	-	-	-	-	-	-	-	-	Other
7 Hogs- Pigs and Swine	-	-	-	-	-	-	-	-	Other
8 Other Meat Animal Products	-	-	-	-	-	-	-	-	Other
9 Miscellaneous Livestock	-	-	-	-	-	-	-	-	Other
10 Cotton	-	-	-	-	-	-	-	-	Other
11 Food Grains	-	-	-	-	-	-	-	-	Other
12 Feed Grains	-	-	-	-	-	-	-	-	Other
13 Hay and Pasture	-	-	-	-	-	-	-	-	Other
14 Grass Seeds	-	-	-	-	-	-	-	-	Other
15 Tobacco	-	-	-	-	-	-	-	-	Other
16 Fruits	-	-	-	-	-	-	-	-	Other
17 Tree Nuts	-	-	-	-	-	-	-	-	Other
18 Vegetables	-	-	-	-	-	-	-	-	Other
19 Sugar Crops	-	-	-	-	-	-	-	-	Other
20 Miscellaneous Crops	-	-	-	-	-	-	-	-	Other
21 Oil Bearing Crops	-	-	-	-	-	-	-	-	Other
22 Forest Products	-	-	-	-	-	-	-	-	Other
23 Greenhouse and Nursery Products	-	-	-	-	-	-	-	-	Other
24 Forestry Products	-	-	-	-	-	-	-	-	Other
25 Commercial Fishing	-	-	-	-	90	887	977	978	Other
26 Agricultural- Forestry- Fishery Services	-	-	-	-	-	2,373	2,373	2,373	Other
27 Landscape and Horticultural Services	-	-	-	-	29,151	4,116	33,267	33,267	Other
28 Iron Ores	-	-	-	-	-	-	-	-	Other
29 Copper Ores	-	-	-	-	258	169	427	437	Other
30 Lead and Zinc Ores	-	-	-	-	11	4	15	15	Other
31 Gold Ores	-	-	-	-	64	25	89	89	Other
32 Silver Ores	-	-	-	-	-	-	-	-	Other
33 Ferroalloy Ores- Except Vanadium	-	-	-	-	-	-	-	-	Other
34 Metal Mining Services	-	-	-	-	7	3	10	10	Other
35 Uranium-radium-vanadium Ores	-	-	-	-	-	-	-	-	Other
36 Metal Ores- Not Elsewhere Classified	-	-	-	-	-	-	-	-	Other
37 Coal Mining	-	-	-	-	-	-	-	-	Other
38 Natural Gas & Crude Petroleum	-	-	-	-	5,637	15,696	21,333	21,333	Other
39 Natural Gas Liquids	-	-	-	-	-	-	-	-	Other
40 Dimension Stone	-	-	-	-	22,687	13	22,700	22,700	Other
41 Sand and Gravel	-	-	-	-	7,629	4	7,633	7,633	Other
42 Clay- Ceramic- Refractory Minerals- N.E.C.	-	-	-	-	6	1	7	7	Other
43 Potash- Soda- and Borate Minerals	-	-	-	-	-	-	-	-	Other
44 Phosphate Rock	-	-	-	-	-	-	-	-	Other
45 Chemical- Fertilizer Mineral Mining- N.E.C.	-	-	-	-	39	44	83	84	Other
46 Nonmetallic Minerals (Except Fuels) Service	-	-	-	-	270	-	270	270	Other
47 Misc. Nonmetallic Minerals- N.E.C.	-	-	-	-	1,964	2	1,966	1,967	Other
48 New Residential Structures	-	-	-	-	-	-	-	-	Residential Building
49 New Industrial and Commercial Buildings	-	-	-	-	-	-	-	-	Commercial Building
50 New Utility Structures	26,110,666	-	-	-	-	-	-	26,110,666	Infrastructure
51 New Highways and Streets	202,937,744	-	-	-	-	-	-	202,937,744	Infrastructure
52 New Farm Structures	-	-	-	-	-	-	-	-	Infrastructure
53 New Mineral Extraction Facilities	-	-	-	-	-	-	-	-	Infrastructure
54 New Government Facilities	-	-	-	-	-	-	-	-	Infrastructure
55 Maintenance and Repair- Residential	-	-	-	-	20,373	249,655	270,028	270,028	Infrastructure
56 Maintenance and Repair Other Facilities	-	-	-	-	481,224	534,809	1,016,033	1,016,033	Infrastructure
57 Maintenance and Repair Oil and Gas Wells	-	-	-	-	449	1,251	1,700	1,700	Infrastructure
58 Meat Packing Plants	-	-	-	-	12	1,111	1,123	1,123	Other
59 Sausages and Other Prepared Meats	-	-	-	-	358	31,157	31,513	31,512	Other
60 Poultry Processing	-	-	-	-	18	1,001	1,019	1,019	Other
61 Creamery Butter	-	-	-	-	-	-	-	-	Other
62 Cheese- Natural and Processed	-	-	-	-	21	791	812	812	Other
63 Condensed and Evaporated Milk	-	-	-	-	160	7,441	7,601	7,601	Other
64 Ice Cream and Frozen Desserts	-	-	-	-	181	4,611	4,792	4,792	Other
65 Fluid Milk	-	-	-	-	269	32,591	32,860	32,860	Other
66 Canned Specialties	-	-	-	-	-	-	-	-	Other
67 Canned Fruits and Vegetables	-	-	-	-	1	66	67	67	Other
68 Dehydrated Food Products	-	-	-	-	-	42	42	42	Other
69 Pickles- Sauces- and Salad Dressings	-	-	-	-	40	2,271	2,311	2,311	Other
70 Frozen Fruits- Juices and Vegetables	-	-	-	-	-	-	-	-	Other
71 Frozen Specialties	-	-	-	-	21	1,203	1,224	1,224	Other
72 Flour and Other Grain Mill Products	-	-	-	-	-	-	-	-	Other
73 Cereal Preparations	-	-	-	-	-	-	-	-	Other
74 Rice Milling	-	-	-	-	-	-	-	-	Other
75 Blended and Prepared Flour	-	-	-	-	1	210	211	212	Other
76 Wet Corn Milling	-	-	-	-	-	-	-	-	Other
77 Dog- Cat- and Other Pet Food	-	-	-	-	-	-	-	-	Other
78 Prepared Feeds- N.E.C.	-	-	-	-	-	-	-	-	Other
79 Bread- Cake- and Related Products	-	-	-	-	3,623	108,353	111,976	111,977	Other
80 Cookies and Crackers	-	-	-	-	720	82,845	83,565	83,565	Other
81 Sugar	-	-	-	-	24	1,447	1,471	1,471	Other
82 Confectionery Products	-	-	-	-	86	4,064	4,150	4,150	Other
83 Chocolate and Cocoa Products	-	-	-	-	1	95	96	96	Other
84 Chewing Gum	-	-	-	-	-	-	-	-	Other
85 Salted and Roasted Nuts & Seeds	-	-	-	-	2	307	309	309	Other
86 Cottonseed Oil Mills	-	-	-	-	-	-	-	-	Other
87 Soybean Oil Mills	-	-	-	-	-	-	-	-	Other
88 Vegetable Oil Mills- N.E.C.	-	-	-	-	-	-	-	-	Other
89 Animal and Marine Fats and Oils	-	-	-	-	-	-	-	-	Other
90 Shortening and Cooking Oils	-	-	-	-	14	504	518	518	Other
91 Malt Beverages	-	-	-	-	47	1,616	1,663	1,663	Other
92 Malt	-	-	-	-	-	-	-	-	Other
93 Wines- Brandy- and Brandy Spirits	-	-	-	-	2	386	388	388	Other
94 Distilled Liquor- Except Brandy	-	-	-	-	97	3,581	3,678	3,679	Other
95 Bottled and Canned Soft Drinks & Water	-	-	-	-	132	4,752	4,884	4,884	Other

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96 Flavoring Extracts and Syrups- N.E.C.	44	3,755	3,799	3,799	Other
97 Canned and Cured Sea Foods	1	93	94	95	Other
98 Prepared Fresh Or Frozen Fish Or Seafood	9	92	101	101	Other
99 Roasted Coffee	914	23,833	24,747	24,747	Other
100 Potato Chips & Similar Snacks	34	2,946	2,980	2,980	Other
101 Manufactured Ice	-	1,686	1,686	1,686	Other
102 Macaroni and Spaghetti	9	3,007	3,016	3,016	Other
103 Food Preparations- N.E.C	57	28,560	28,627	28,626	Other
104 Cigarettes	1,636	296,392	298,028	298,029	Other
105 Cigars	-	10,867	10,867	10,867	Other
106 Chewing and Smoking Tobacco	-	5,946	5,946	5,947	Other
107 Tobacco Stemming and Redrying	-	-	-	-	Other
108 Broadwoven Fabric Mills and Finishing	525	4,083	4,608	4,608	Textiles
109 Narrow Fabric Mills	35	222	257	257	Textiles
110 Womens Hosiery- Except Socks	-	688	688	688	Textiles
111 Hosiery- N.E.C	-	-	-	-	Textiles
112 Knit Outerwear Mills	219	21,748	21,967	21,967	Textiles
113 Knit Underwear Mills	-	-	-	-	Textiles
114 Knit Fabric Mills	235	7,948	8,183	8,182	Textiles
115 Knitting Mills- N.E.C.	128	1,732	1,860	1,860	Textiles
116 Yarn Mills and Finishing Of Textiles- N.E.C.	272	1,306	1,578	1,578	Textiles
117 Carpets and Rugs	28	387	415	415	Textiles
118 Thread Mills	1	16	17	17	Textiles
119 Coated Fabrics- Not Rubberized	4,145	19	4,164	4,164	Textiles
120 Tire Cord and Fabric	-	-	-	-	Textiles
121 Nonwoven Fabrics	-	-	-	-	Textiles
122 Cordage and Twine	390	49	439	439	Textiles
123 Textile Goods- N.E.C	265	161	426	426	Textiles
124 Apparel Made From Purchased Materials	5,330	291,142	296,472	296,472	Textiles
125 Curtains and Draperies	251	12,031	12,282	12,283	Textiles
126 Housefurnishings- N.E.C	2,852	32,679	35,531	35,532	Textiles
127 Textile Bags	746	595	1,341	1,341	Textiles
128 Canvas Products	13,642	1,214	14,856	14,856	Textiles
129 Pleating and Stitching	81	9,575	9,656	9,657	Textiles
130 Automotive and Apparel Trimmings	482	17,144	17,626	17,626	Textiles
131 Schiffli Machine Embroideries	5	218	223	223	Textiles
132 Fabricated Textile Products- N.E.C.	3,166	9,851	13,017	13,017	Textiles
133 Logging Camps and Logging Contractors	133	68	201	201	Construction
134 Sawmills and Planing Mills- General	51	5	66	66	Construction
135 Hardwood Dimension and Flooring Mills	4,251	1,147	5,398	5,398	Construction
136 Special Product Sawmills- N.E.C	-	-	-	-	Construction
137 Millwork	105,148	5,871	111,019	111,019	Construction
138 Wood Kitchen Cabinets	9,157	2,876	12,033	12,032	Construction
139 Veneer and Plywood	322	22	344	345	Construction
140 Structural Wood Members- N.E.C	-	-	-	-	Construction
141 Wood Containers	2,011	611	2,622	2,622	Construction
142 Wood Pallets and Skids	278	78	356	356	Construction
143 Mobile Homes	-	-	-	-	Construction
144 Prefabricated Wood Buildings	9	1	10	10	Construction
145 Wood Preserving	-	-	-	-	Construction
146 Reconstituted Wood Products	-	-	-	-	Construction
147 Wood Products- N.E.C	9,833	15,495	25,328	25,329	Other
148 Wood Household Furniture	269	12,442	12,711	12,711	Other
149 Upholstered Household Furniture	11	14,263	14,274	14,274	Other
150 Metal Household Furniture	496	10,264	10,760	10,760	Other
151 Mattresses and Bedspreads	52	3,636	3,687	3,687	Other
152 Wood Tv and Radio Cabinets	241	826	1,067	1,067	Other
153 Household Furniture- N.E.C	540	2,219	2,759	2,758	Other
154 Wood Office Furniture	332	1,413	1,745	1,744	Other
155 Metal Office Furniture	109	53	162	162	Other
156 Public Building Furniture	1,683	30	1,713	1,713	Other
157 Wood Partitions and Fixtures	618	88	706	706	Other
158 Metal Partitions and Fixtures	369	52	421	421	Other
159 Blinds- Shades- and Drapery Hardware	47	8,428	8,475	8,475	Other
160 Furniture and Fixtures- N.E.C	2,137	302	2,439	2,439	Other
161 Pulp Mills	38	40	78	78	Other
162 Paper Mills- Except Bulking Paper	110	41	151	152	Other
163 Paperboard Mills	7	3	10	10	Other
164 Paperboard Containers and Boxes	49,148	20,118	69,266	69,266	Other
165 Paper Coated & Laminated Packaging	25	5	30	29	Other
166 Paper Coated & Laminated N.E.C.	398	75	473	473	Other
167 Bags- Plastic	233	144	377	377	Other
168 Bags- Paper	7	4	11	11	Other
169 Die-cut Paper and Board	332	168	500	500	Other
170 Sanitary Paper Products	1	1	2	2	Other
171 Envelopes	122	47	169	169	Other
172 Stationery Products	81	35	116	116	Other
173 Converted Paper Products- N.E.C	33	38	71	71	Other
174 Newspapers	76,256	96,490	172,746	172,745	Publishing
175 Periodicals	168,456	183,411	351,867	351,868	Publishing
176 Book Publishing	2,305	65,966	68,271	68,271	Publishing
177 Book Printing	145	288	433	433	Publishing
178 Miscellaneous Publishing	19,851	23,665	43,516	43,516	Publishing
179 Commercial Printing	71,805	53,436	125,241	125,241	Printing & Advertising
180 Manifold Business Forms	6,137	1,366	7,503	7,503	Printing & Advertising
181 Greeting Card Publishing	65	3,579	3,644	3,644	Printing & Advertising
182 Blankbooks and Looseleaf Binder	9,224	4,467	13,691	13,691	Printing & Advertising
183 Bookbinding & Related	870	1,811	2,681	2,681	Printing & Advertising
184 Typesetting	6,042	1,416	7,458	7,458	Printing & Advertising
185 Plate Making	3,221	1,867	5,088	5,088	Printing & Advertising
186 Alkalies & Chlorine	-	-	-	-	Other
187 Industrial Gases	-	-	-	-	Other
188 Inorganic Pigments	310	201	511	512	Other
189 Inorganic Chemicals Nec.	635	412	1,047	1,047	Other
190 Cyclic Crudes- Interm. & Indus. Organic Chem.	16,544	10,724	27,268	27,268	Other
191 Plastics Materials and Resins	256	57	313	313	Other
192 Synthetic Rubber	-	-	-	-	Other
193 Cellulosic Man-made Fibers	52	77	129	129	Other

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Office Tenants Employee Assumptions- Base Case

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Mix III	Historical		sqf sqf/employee employees		12,000,000	Employee 10 yr. growth			
						2001 office emp.	854,050		
						2010 office emp.	956,450	1.27%	
Industry	# sqf in sample	% breakdown	Sq/employee	sector employee growth rate	Total employees				
Real Estate	22000		200	0.0%	-	0			
Business Service	104094	33.30%	200	0.0%	19,980	1453			
Telecom	205814		162	0.0%	-	0			
Insurance	1723204		203	0.0%	-	0			
investment banking	262078		152	0.0%	-	0			
Bank	963562		192	0.0%	-	0			
securities	1911581	33.30%	152	0.0%	26,289	1912			
High Tech	159824	33.30%	215	0.0%	18,586	1351			
Legal	459234		250	0.0%	-	0			
Restaurant	73000		200	0.0%	-	0			
Transportation	137135		200	0.0%	-	0			
Total	6,021,526	99.90%			64,855.52	4,716			
New employees for NYC		4,716							
New employees for Downtown		58,370							
Assumption: 2004-2010 growth years are captured									
% of WTC employees not relocating for Downtown		90%							

Mix II	Historical			sqf sq/employee employees		12,000,000	Employee 10 yr. growth		
							2001 office emp.	854,050	
							2010 office emp.	956,450	1.27%
Industry	# sqf in sample	% breakdown	Sq/employee	sector employee growth rate	Total employees				
Real Estate	22000		200	0.0%	-				0
Business Service	104094		200	0.0%	-				0
Telecom	205814	33.30%	162	0.0%	24,667				1794
Insurance	1723204		203	0.0%	-				0
investment banking	262078		152	0.0%	-				0
Bank	963562		192	0.0%	-				0
securities	1911581	33.30%	152	0.0%	26,289				1912
High Tech	159824		215	0.0%	18,586				1351
Legal	459234	33.30%	250	0.0%	-				0
Restaurant	73000		200	0.0%	-				0
Transportation	137135		200	0.0%	-				0
Total	6,021,526	99.90%			69,542.19				5,057
New employees for NYC		5,057							
New employees for Downtown		62,588							
Assumption: 2004-2010 growth years are captured									
% of WTC employees not relocating for Downtown		90%							

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194 Organic Fibers- Noncellulosic	-	762	1,562	2,324	2,324	Other
195 Drugs	-	5,703	266,436	272,139	272,139	Other
196 Soap and Other Detergents	-	109,415	176,079	285,494	285,495	Other
197 Polishes and Sanitation Goods	-	32,260	38,353	70,613	70,613	Other
198 Surface Active Agents	-	8,356	2,159	10,515	10,515	Other
199 Toilet Preparations	-	22,029	228,252	250,281	250,281	Other
200 Paints and Allied Products	-	5,929	89	6,018	6,019	Other
201 Gum and Wood Chemicals	-	-	-	-	-	Other
202 Nitrogenous and Phosphatic Fertilizers	-	-	-	-	-	Other
203 Fertilizers- Mixing Only	-	-	-	-	-	Other
204 Agricultural Chemicals- N.E.C.	-	899	562	1,461	1,461	Other
205 Adhesives and Sealants	-	120,468	3,961	124,429	124,429	Other
206 Explosives	-	-	-	-	-	Other
207 Printing Ink	-	2,425	1,822	4,247	4,247	Other
208 Carbon Black	-	-	-	-	-	Other
209 Chemical Preparations- N.E.C.	-	28,377	3,233	31,610	31,611	Other
210 Petroleum Refining	-	1,259	908	2,167	2,167	Other
211 Paving Mixtures and Blocks	-	1,700,262	762	1,701,024	1,701,023	Other
212 Asphalt Felt and Coatings	-	186,652	132	186,784	186,784	Other
213 Lubricating Oils and Greases	-	5,810	1,321	7,131	7,131	Other
214 Petroleum and Coal Products- N.E.C.	-	-	-	-	-	Other
215 Tires and Inner Tubes	-	7	3	10	9	Other
216 Rubber and Plastics Footwear	-	-	-	-	-	Other
217 Rubber and Plastics Hose and Belting	-	237	6	243	243	Other
218 Gaskets- Packing and Sealing Devices	-	8	2	10	10	Other
219 Fabricated Rubber Products- N.E.C.	-	971	60	1,031	1,031	Other
220 Miscellaneous Plastics Products	-	4,372	509	4,881	4,881	Other
221 Leather Tanning and Finishing	-	69	472	541	541	Other
222 Footwear Cut Stock	-	-	16	16	16	Other
223 House Slippers	-	-	-	-	-	Other
224 Shoes- Except Rubber	-	1	1,329	1,330	1,330	Other
225 Leather Gloves and Mittens	-	-	-	-	-	Other
226 Luggage	-	1,105	9,753	10,858	10,859	Other
227 Womens Handbags and Purses	-	30	9,700	9,739	9,739	Other
228 Personal Leather Goods	-	45	4,164	4,229	4,229	Other
229 Leather Goods- N.E.C.	-	819	5,259	6,078	6,078	Other
230 Glass and Glass Products- Exc Containers	-	28,920	9,390	38,310	38,310	Other
231 Glass Containers	-	-	-	-	-	Other
232 Cement- Hydraulic	-	-	-	-	-	Other
233 Brick and Structural Clay Tile	-	-	-	-	-	Other
234 Ceramic Wall and Floor Tile	-	-	-	-	-	Other
235 Clay Refractories	-	-	-	-	-	Other
236 Structural Clay Products- N.E.C.	-	1	-	1	1	Other
237 Vitreous Plumbing Fixtures	-	-	-	-	-	Other
238 Vitreous China Food Utensils	-	-	-	-	-	Other
239 Fine Earthenware Food Utensils	-	-	-	-	-	Other
240 Porcelain Electrical Supplies	-	-	-	-	-	Other
241 Pottery Products- N.E.C.	-	5	8	13	13	Other
242 Concrete Block and Brick	-	918	-	918	918	Other
243 Concrete Products- N.E.C.	-	1,788	2	1,790	1,790	Other
244 Ready-mixed Concrete	-	44,309	20	44,329	44,329	Other
245 Lime	-	-	-	-	-	Other
246 Gypsum Products	-	-	-	-	-	Other
247 Cut Stone and Stone Products	-	11,903	11	11,914	11,914	Other
248 Abrasive Products	-	1,606	122	1,728	1,728	Other
249 Asbestos Products	-	-	-	-	-	Other
250 Minerals- Ground Or Treated	-	144	33	177	177	Other
251 Mineral Wool	-	-	-	-	-	Other
252 Nonclay Refractories	-	10	2	12	11	Other
253 Nonmetallic Mineral Products- N.E.C.	-	227	24	251	252	Other
254 Blast Furnaces and Steel Mills	-	771	12	783	783	Other
255 Electrometallurgical Products	-	11	4	15	15	Other
256 Steel Wire and Related Products	-	19,422	336	19,758	19,758	Other
257 Cold Finishing Of Steel Shapes	-	1,538	22	1,560	1,560	Other
258 Steel Pipe and Tubes	-	-	-	-	-	Other
259 Iron and Steel Foundries	-	-	-	-	-	Other
260 Primary Copper	-	-	-	-	-	Other
261 Primary Aluminum	-	35	5	40	41	Other
262 Primary Nonferrous Metals- N.E.C.	-	908	347	1,255	1,255	Other
263 Secondary Nonferrous Metals	-	173	22	195	195	Other
264 Copper Rolling and Drawing	-	195	8	203	203	Other
265 Aluminum Rolling and Drawing	-	-	-	-	-	Other
266 Nonferrous Rolling and Drawing- N.E.C.	-	6,782	134	6,916	6,917	Other
267 Nonferrous Wire Drawing and Insulating	-	20,825	169	20,994	20,994	Other
268 Aluminum Foundries	-	82	13	95	95	Other
269 Brass- Bronze- and Copper Foundries	-	136	20	156	157	Other
270 Nonferrous Castings- N.E.C.	-	180	28	208	208	Other
271 Metal Heat Treating	-	91	12	103	104	Other
272 Primary Metal Products- N.E.C.	-	-	-	-	-	Other
273 Metal Cans	-	17	20	37	37	Other
274 Metal Barrels- Drums and Pails	-	300	105	405	405	Other
275 Cutlery	-	-	-	-	-	Other
276 Hand and Edge Tools- N.E.C.	-	3,200	3,320	6,520	6,521	Other
277 Hand Saws and Saw Blades	-	-	-	-	-	Other
278 Hardware- N.E.C.	-	19,306	2,440	21,746	21,746	Other
279 Metal Sanitary Ware	-	29	4	33	33	Other
280 Plumbing Fixture Fittings and Trim	-	58	8	66	66	Construction
281 Heating Equipment- Except Electric	-	235	10	245	245	Construction
282 Fabricated Structural Metal	-	7,191	9	7,200	7,200	Other
283 Metal Doors- Sash- and Trim	-	10,846	694	11,530	11,530	Other
284 Fabricated Plate Work (Boiler Shops)	-	3,793	105	3,898	3,899	Other
285 Sheet Metal Work	-	18,218	200	18,418	18,418	Other
286 Architectural Metal Work	-	17,410	66	17,476	17,476	Other
287 Prefabricated Metal Buildings	-	1,319	8	1,327	1,327	Other
288 Miscellaneous Metal Work	-	1,538	8	1,546	1,547	Other
289 Screw Machine Products and Bolts- Etc.	-	7,166	589	7,755	7,755	Other
290 Iron and Steel Forgings	-	358	29	387	387	Other
291 Nonferrous Forgings	-	-	-	-	-	Other

292 Automotive Stampings	-	119	41	160	160 Other
293 Crowns and Closures	-	265	352	657	657 Other
294 Metal Stampings- N.E.C.	-	3,112	3,799	6,911	6,911 Other
295 Plating and Polishing	-	1,868	270	2,138	2,138 Other
296 Metal Coating and Allied Services	-	683	111	794	794 Other
297 Small Arms Ammunition	-	-	-	-	- Other
298 Ammunition- Except For Small Arms- N.E.C.	-	-	-	-	- Other
299 Small Arms	-	-	-	-	- Other
300 Other Ordnance and Accessories	-	-	-	-	- Other
301 Industrial and Fluid Valves	-	-	-	-	- Other
302 Steel Springs- Except Wire	-	16,352	79	16,431	16,431 Other
303 Pipe- Valves- and Pipe Fittings	-	-	-	-	- Other
304 Miscellaneous Fabricated Wire Products	-	27,193	132	27,325	27,324 Other
305 Metal Foil and Leaf	-	112,983	2,018	115,001	115,001 Other
306 Fabricated Metal Products- N.E.C.	-	74	360	434	434 Other
307 Steam Engines and Turbines	-	1,076	404	1,480	1,481 Other
308 Internal Combustion Engines- N.E.C.	-	1,467	2,728	4,195	4,195 Other
309 Farm Machinery and Equipment	-	3,171	1,159	4,330	4,330 Other
310 Lawn and Garden Equipment	-	2,584	1,039	3,622	3,622 Other
311 Construction Machinery and Equipment	-	-	-	-	- Other
312 Mining Machinery- Except Oil Field	-	-	-	-	- Construction
313 Oil Field Machinery	-	-	-	-	- Other
314 Elevators and Moving Stairways	-	-	-	-	- Other
315 Conveyors and Conveying Equipment	-	11,909	7	11,916	11,916 Construction
316 Hoists- Cranes- and Monorails	-	669	17	686	687 Other
317 Industrial Trucks and Tractors	-	-	-	-	- Other
318 Machine Tools- Metal Cutting Types	-	116	16	132	132 Other
319 Machine Tools- Metal Forming Types	-	24	3	27	28 Other
320 Industrial Patterns	-	543	16	559	558 Other
321 Special Dies and Tools and Accessories	-	-	-	-	- Other
322 Power Driven Hand Tools	-	1,946	394	2,340	2,340 Other
323 Rolling Mill Machinery	-	-	-	-	- Other
324 Welding Apparatus	-	-	-	-	- Other
325 Metalworking Machinery- N.E.C.	-	-	-	-	- Other
326 Textile Machinery	-	7	-	7	7 Other
327 Woodworking Machinery	-	126	52	178	178 Other
328 Paper Industries Machinery	-	20	1,161	1,181	1,181 Other
329 Printing Trades Machinery	-	99	28	127	127 Other
330 Food Products Machinery	-	442	65	507	506 Other
331 Special Industry Machinery N.E.C.	-	1,731	510	2,241	2,241 Other
332 Pumps and Compressors	-	3,126	339	3,465	3,465 Other
333 Ball and Roller Bearings	-	232	21	253	253 Other
334 Blowers and Fans	-	3	1	4	3 Other
335 Packaging Machinery	-	199	28	227	226 Other
336 Power Transmission Equipment	-	1,168	147	1,315	1,315 Other
337 Industrial Furnaces and Ovens	-	7	2	9	9 Other
338 General Industrial Machinery- N.E.C.	-	9	1	10	10 Other
339 Electronic Computers	-	277	9	286	286 Other
340 Computer Storage Devices	-	892	1,934	2,826	2,826 Computers & Electronics
341 Computer Terminals	-	-	-	-	- Computers & Electronics
342 Computer Peripheral Equipment	-	-	-	-	- Computers & Electronics
343 Calculating and Accounting Machines	-	1,364	1,071	2,435	2,435 Computers & Electronics
344 Typewriters and Office Machines N.E.C.	-	16	13	29	29 Computers & Electronics
345 Automatic Merchandising Machine	-	435	1,389	1,815	1,815 Computers & Electronics
346 Commercial Laundry Equipment	-	4	21	25	26 Other
347 Refrigeration and Heating Equipment	-	12	6	18	18 Other
348 Measuring and Dispensing Pumps	-	11,839	1,405	13,244	13,244 Other
349 Service Industry Machines- N.E.C.	-	-	-	-	- Other
350 Carburetors- Pistons- Rings- Valves	-	14,643	238	14,881	14,881 Other
351 Fluid Power Cylinders & Actuators	-	23	2	25	25 Other
352 Fluid Power Pumps & Motors	-	-	-	-	- Other
353 Scales and Balances	-	92	1	93	93 Other
354 Industrial Machines N.E.C.	-	227	798	1,025	1,025 Other
355 Transformers	-	354	38	392	392 Other
356 Switchgear and Switchboard Apparatus	-	56	7	63	63 Other
357 Motors and Generators	-	20,448	311	20,759	20,759 Other
358 Carbon and Graphite Products	-	1,209	277	1,486	1,486 Other
359 Relays & Industrial Controls	-	-	-	-	- Other
360 Electrical Industrial Apparatus- N.E.C.	-	5,063	1,125	6,208	6,209 Other
361 Household Cooking Equipment	-	-	-	-	- Other
362 Household Refrigerators and Freezers	-	-	1	2	2 Residential Building
363 Household Laundry Equipment	-	-	-	-	- Residential Building
364 Electric Housewares and Fans	-	-	-	-	- Residential Building
365 Household Vacuum Cleaners	-	369	104	473	473 Residential Building
366 Household Appliances- N.E.C.	-	-	-	-	- Residential Building
367 Electric Lamps	-	458	61	519	518 Residential Building
368 Wiring Devices	-	6	1	7	7 Residential Building
369 Lighting Fixtures and Equipment	-	22,631	2,241	24,872	24,872 Residential Building
370 Radio and TV Receiving Sets	-	6,825	615	7,440	7,440 Residential Building
371 Phonograph Records and Tape	-	14,593	36,256	50,849	50,849 Computers & Electronics
372 Telephone and Telegraph Apparatus	-	17,129	40,906	58,035	58,035 Computers & Electronics
373 Radio and Tv Communication Equipment	-	170,774	37,944	208,718	208,718 Communications & Media
374 Communications Equipment N.E.C.	-	343,987	5,342	349,329	349,328 Communications & Media
375 Electron Tubes	-	8,377	130	8,507	8,507 Communications & Media
376 Printed Circuit Boards	-	806	684	1,492	1,492 Computers & Electronics
377 Semiconductors and Related Devices	-	3,968	943	4,911	4,911 Computers & Electronics
378 Electronic Components- N.E.C.	-	948	239	1,187	1,187 Computers & Electronics
379 Storage Batteries	-	52,362	12,443	64,805	64,805 Computers & Electronics
380 Primary Batteries- Dry and Wet	-	74	34	108	108 Computers & Electronics
381 Engine Electrical Equipment	-	-	-	-	- Computers & Electronics
382 Magnetic & Optical Recording Media	-	93,373	6,231	99,604	99,604 Computers & Electronics
383 Electrical Equipment- N.E.C.	-	488	184	672	673 Computers & Electronics
384 Motor Vehicles	-	3,498	1,657	5,155	5,155 Computers & Electronics
385 Truck and Bus Bodies	-	51	2,365	2,416	2,416 Transportation
386 Motor Vehicle Parts and Accessories	-	40	775	815	815 Transportation
387 Truck Trailers	-	17,038	4,454	21,492	21,492 Transportation
388 Motor Homes	-	-	-	-	- Transportation
389 Aircraft	-	-	-	-	- Transportation
	-	-	3	3	4 Transportation

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390 Aircraft and Missile Engines and Parts	-	395	453	848	849 Transportation
391 Aircraft and Missile Equipment-	-	1,410	127	1,537	1,537 Transportation
392 Ship Building and Repairing	-	138	7	145	146 Transportation
393 Boat Building and Repairing	-	5	39	44	44 Transportation
394 Railroad Equipment	-	-	-	-	- Transportation
395 Motorcycles- Bicycles- and Parts	-	113	49	162	162 Transportation
396 Complete Guided Missiles	-	-	-	-	- Transportation
397 Travel Trailers and Camper	-	-	-	-	- Transportation
398 Tanks and Tank Components	-	-	-	-	- Transportation
399 Transportation Equipment- N.E.C	-	94	6	100	101 Transportation
400 Search & Navigation Equipment	-	8,340	243	8,583	8,583 Transportation
401 Laboratory Apparatus & Furniture	-	17	4	21	21 Other
402 Automatic Temperature Controls	-	781	9	790	791 Other
403 Mechanical Measuring Devices	-	1,203	90	1,293	1,293 Other
404 Instruments To Measure Electricity	-	261	13	274	273 Other
405 Analytical Instruments	-	-	1	1	1 Other
406 Optical Instruments & Lenses	-	-	-	-	- Other
407 Surgical and Medical Instrument	-	41	1,796	1,837	1,836 Other
408 Surgical Appliances and Supplies	-	246	11,700	11,946	11,946 Other
409 Dental Equipment and Supplies	-	77	1,754	1,831	1,831 Other
410 X-Ray Apparatus	-	217	1,271	1,488	1,488 Other
411 Electromedical Apparatus	-	35	1,069	1,104	1,104 Other
412 Ophthalmic Goods	-	1,428	7,913	9,341	9,342 Other
413 Photographic Equipment and Supplies	-	575	793	1,368	1,369 Other
414 Watches- Clocks- and Parts	-	308	3,834	4,142	4,141 Other
415 Jewelry- Precious Metal	-	634	12,685	13,319	13,319 Other
416 Silverware and Plated Ware	-	103	423	526	526 Other
417 Jewelers Materials and Lapidary Work	-	1	29	30	30 Other
418 Musical Instruments	-	436	597	1,033	1,032 Other
419 Dolls	-	32	1,047	1,079	1,079 Other
420 Games- Toys- and Childrens Vehicles	-	72	303	375	375 Other
421 Sporting and Athletic Goods- N.E.C.	-	15	238	253	254 Other
422 Pens and Mechanical Pencils	-	357	276	633	634 Other
423 Lead Pencils and Art Goods	-	238	129	367	367 Other
424 Marking Devices	-	625	82	707	708 Other
425 Carbon Paper and Inked Ribbons	-	73	25	98	98 Other
426 Costume Jewelry	-	19	1,794	1,813	1,812 Other
427 Fasteners- Buttons- Needles- Pins	-	16	617	633	634 Other
428 Brooms and Brushes	-	5,538	1,212	6,750	6,749 Other
429 Signs and Advertising Displays	-	47,317	4,287	51,604	51,603 Other
430 Burial Caskets and Vaults	-	3	117	120	120 Other
431 Hard Surface Floor Coverings	-	-	-	-	- Construction
432 Manufacturing Industries- N.E.C.	-	3,583	3,464	7,047	7,048 Other
433 Railroads and Related Services	-	375,358	67,008	442,366	442,367 Transportation
434 Local- Interurban Passenger Transit	-	99,756	133,150	232,906	232,905 Transportation
435 Motor Freight Transport and Warehousing	-	4,302,341	305,017	4,607,358	4,607,358 Transportation
436 Water Transportation	-	872,392	96,835	969,227	969,227 Transportation
437 Air Transportation	-	325,571	445,585	771,156	771,156 Transportation
438 Pipe Lines- Except Natural Gas	-	6,882	3,802	10,684	10,684 Transportation
439 Arrangement Of Passenger Transportation	-	57,398	89,846	147,244	147,244 Transportation
440 Transportation Services	-	604,821	64,815	669,636	669,636 Transportation
441 Communications- Except Radio and TV	-	2,432,835	1,424,269	3,857,104	3,857,104 Communications & Media
442 Radio and TV Broadcasting	-	215,905	181,497	397,402	397,402 Communications & Media
443 Electric Services	-	742,874	1,812,077	2,554,951	2,554,951 Utilities
444 Gas Production and Distribution	-	68,296	308,294	376,590	376,590 Utilities
445 Water Supply and Sewerage Systems	-	17	76	93	93 Utilities
446 Sanitary Services and Steam Supply	-	43,479	13,197	56,676	56,676 Utilities
447 Wholesale Trade	-	12,433,142	4,194,347	16,627,489	16,627,488 Other
448 Building Materials & Gardening	-	174,301	283,348	457,649	457,649 Other
449 General Merchandise Stores	-	200,715	1,021,948	1,224,662	1,224,662 Retail
450 Food Stores	-	149,775	1,177,666	1,327,441	1,327,441 Retail
451 Automotive Dealers & Service Stations	-	171,320	640,952	812,272	812,272 Retail
452 Apparel & Accessory Stores	-	121,837	834,292	956,129	956,129 Retail
453 Furniture & Home Furnishings Stores	-	113,610	564,347	677,957	677,957 Retail
454 Eating & Drinking	-	405,243	2,933,824	3,339,067	3,339,067 Restaurants
455 Miscellaneous Retail	-	952,627	3,023,591	3,986,218	3,986,218 Retail
456 Banking	-	2,524,739	3,060,866	5,585,605	5,585,604 Banking
457 Credit Agencies	-	1,873,866	1,140,828	3,014,694	3,014,694 Banking
458 Security and Commodity Brokers	-	753,460	989,265	1,742,725	1,742,726 Securities
459 Insurance Carriers	-	1,910,343	2,485,450	4,395,793	4,395,793 Insurance
460 Insurance Agents and Brokers	-	342,491	445,597	788,088	788,088 Insurance
461 Owner-occupied Dwellings	-	-	8,644,315	8,644,315	8,644,315 Residential Building
462 Real Estate	-	1,480,022	3,574,663	5,055,606	5,055,606 Real Estate
463 Hotels and Lodging Places	-	493,208	617,944	1,111,152	1,111,153 Hotels
464 Laundry- Cleaning and Shoe Repair	-	82,967	234,167	317,134	317,134 Residential Services
465 Portrait and Photographic Studios	-	2,543	31,942	34,485	34,485 Residential Services
466 Beauty and Barber Shops	-	-	290,573	290,573	290,573 Residential Services
467 Funeral Service and Crematories	-	-	91,552	91,552	91,552 Residential Services
468 Miscellaneous Personal Services	-	17,768	223,186	240,954	240,954 Residential Services
469 Advertising	-	430,445	286,494	716,939	716,939 Printing & Advertising
470 Other Business Services	-	3,297,758	593,977	3,891,735	3,891,735 Business Services
471 Photofinishing- Commercial Photography	-	116,617	179,225	295,842	295,842 Business Services
472 Services To Buildings	-	186,253	214,112	400,365	400,365 Business Services
473 Equipment Rental and Leasing	-	276,610	83,509	360,119	360,119 Business Services
474 Personnel Supply Services	-	3,446,118	463,492	3,909,610	3,909,611 Business Services
475 Computer and Data Processing Services	-	2,012,968	654,991	2,667,959	2,667,959 Business Services
476 Detective and Protective Services	-	597,205	123,634	720,839	720,838 Business Services
477 Automobile Rental and Leasing	-	103,476	25,994	129,470	129,471 Business Services
478 Automobile Parking and Car Wash	-	24,500	130,455	154,955	154,955 Business Services
479 Automobile Repair and Services	-	595,921	174,535	770,456	770,456 Business Services
480 Electrical Repair Service	-	85,671	38,717	124,388	124,388 Business Services
481 Watch- Clock- Jewelry and Furniture Repair	-	14,858	30,512	45,370	45,370 Business Services
482 Miscellaneous Repair Shops	-	1,479,601	61,109	1,540,710	1,540,710 Business Services
483 Motion Pictures	-	156,513	294,815	451,328	451,328 Cultural Activities
484 Theatrical Producers- Bands Etc.	-	67,559	164,123	231,682	231,682 Cultural Activities
485 Bowling Alleys and Pool Halls	-	7	25,646	25,653	25,652 Cultural Activities
486 Commercial Sports Except Racing	-	71,749	96,196	167,945	167,945 Cultural Activities
487 Racing and Track Operation	-	43	83,219	83,262	83,262 Cultural Activities

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488 Amusement and Recreation Services- N.E.C.	-	2	496,134	496,136	496,137	Cultural Activities	
489 Membership Sports and Recreation Clubs	-	5,428	77,306	82,734	82,734	Cultural Activities	
490 Doctors and Dentists	-	-	3,064,114	3,064,114	3,064,114	Health Care	
491 Nursing and Protective Care	-	-	506,058	506,058	506,058	Health Care	
492 Hospitals	-	9,738	4,182,121	4,191,859	4,191,860	Health Care	
493 Other Medical and Health Services	-	1,061	856,914	857,975	857,975	Health Care	
494 Legal Services	-	862,095	1,471,303	2,333,398	2,333,399	Legal Services	
495 Elementary and Secondary Schools	-	-	393,015	393,015	393,015	Education	
496 Colleges- Universities- Schools	-	23,289	938,842	962,131	962,131	Education	
497 Other Educational Services	-	559	249,845	250,404	250,403	Education	
498 Job Trainings & Related Services	-	5,714	98,607	104,321	104,321	Education	
499 Child Day Care Services	-	-	341,446	341,446	341,446	Residential Services	
500 Social Services- N.E.C.	-	-	592,344	592,344	592,344	Other	
501 Residential Care	-	-	435,615	435,615	435,615	Other	
502 Other Nonprofit Organizations	-	2,700	196,714	199,414	199,414	Other	
503 Business Associations	-	100,030	193,743	293,773	293,773	Other	
504 Labor and Civic Organizations	-	311	494,853	495,164	495,164	Other	
505 Religious Organizations	-	-	115,872	115,872	115,872	Other	
506 Engineering- Architectural Services	-	13,383,060	90,674	13,473,734	13,473,734	Business Services	
507 Accounting- Auditing and Bookkeeping	-	3,318,476	517,537	3,836,013	3,836,013	Business Services	
508 Management and Consulting Services	-	5,359,354	402,166	5,761,520	5,761,519	Business Services	
509 Research- Development & Testing Services	-	626,196	146,295	772,491	772,491	Business Services	
510 Local Government Passenger Transit	-	(58,305)	(180,688)	(240,003)	(240,003)	Transportation	
511 State and Local Electric Utilities	-	40,999	101,563	142,562	142,563	Utilities	
512 Other State and Local Govt Enterprises	-	260,229	795,221	1,055,450	1,055,451	Government	
513 U.S. Postal Service	-	636,978	303,571	940,549	940,550	Government	
514 Federal Electric Utilities	-	-	-	-	-	Utilities	
515 Other Federal Government Enterprises	-	6,948	22,935	29,883	29,882	Government	
516 Noncomparable Imports	-	-	-	-	-	Government	
517 Scrap	-	-	-	-	-	Government	
518 Used and Secondhand Goods	-	-	-	-	-	Government	
519 Federal Government - Military	-	-	-	-	-	Government	
520 Federal Government - Non-Military	-	-	-	-	-	Government	
521 Commodity Credit Corporation	-	-	-	-	-	Government	
522 State & Local Government - Education	-	-	-	-	-	Government	
523 State & Local Government - Non-Education	-	-	-	-	-	Government	
524 Rest Of The World Industry	-	-	-	-	-	Government	
525 Domestic Services	-	-	323,291	323,291	323,291	Government	
526 Dummy	-	-	-	-	-	Government	
527 Dummy	-	-	-	-	-	Government	
528 Inventory Valuation Adjustment	-	-	-	-	-	Government	
25001 Foreign Trade	-	-	-	-	-	Government	
26001 Domestic Trade	-	-	-	-	-	Government	
Total	229,048,410	76,645,852	65,845,503	142,491,355	371,539,765		
ConEd	26,110,668	10,403,258	8,207,569	18,610,827	44,721,482		
Street	25,769,872	8,411,746	7,319,098	15,730,844	41,500,742		
2002	229,048,410	76,645,852	65,845,503	142,491,355	371,539,765	75%	17%
2003	215,993,077	71,444,223	61,741,719	133,185,942	349,179,024	75%	17%
2004	177,167,872	57,830,848	50,318,636	108,149,684	285,317,541	75%	17%
2002	Downtown		New York City				
2003	237,271,118		371,539,765				
2004	223,725,653		349,179,019				
2004	183,490,517		285,317,556				

INDIRECT IMPACTS

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Infrastructure	NYC-Direct	229	216	177							
	NYC-Indirect	76.6	71.4	57.8							
	NYC-Induced	65.8	61.7	50.3							
	Downtown-Direct	229	216	177							
	Downtown-Indirect	8	7	6							
Construction	NYC-Direct		19.5	122	192.5	227.3	217.6	190.8	65.5		
	NYC-Indirect		25	156	247	291	279	244	84		
	NYC-Induced		9	57	91	107	102	90	31		
	Downtown-Direct		19.5	122	192.5	227.3	217.6	190.8	65.5		
	Downtown-Indirect		0.63	3.99	6.37	7.49	7.14	6.3	2.17		
Office	NYC-Direct				1,878.2	2,504.2	4,591.1	7,721.5	10,851.8	13,982.1	15,025.6
	NYC-Indirect				784.7	1,046.3	1,918.2	3,226.2	4,534.1	5,842.0	6,278.0
	Downtown-Direct				1,878.2	2,504.2	4,591.1	7,721.5	10,851.8	13,982.1	15,025.6
	Downtown-Indirect				131.04	174.73	320.34	538.78	757.19	975.61	1,048.43
					25.1	52	81.3	113.1	147.6	184.2	223.4
Residential	NYC-Direct				4.5	9.3	14.6	20.4	26.6	33.2	40.3
	NYC-Indirect				3.5	7.3	11.4	15.9	20.8	25.9	31.4
	NYC-Induced				25.1	52	81.3	113.1	147.6	184.2	223.4
	Downtown-Direct				5.3	11.1	17.3	24.2	31.6	39.4	47.8
	Downtown-Indirect										
Tourism	NYC-Direct				50	91	134.3	180.1	228.5	279.6	333.5
	NYC-Indirect				11.3	20.6	30.3	40.7	51.6	63.2	75.4
	NYC-Induced				10.4	19	28	37.6	47.7	58.4	69.7
	Downtown-Direct				50	91	134.3	180.1	228.5	279.6	333.5
	Downtown-Indirect				3.6	6.6	9.7	13.1	16.6	20.3	24.2
Retail Mall	NYC-Direct							12	28.9	45.8	62.7
	NYC-Indirect+Induced							3.8	9.1	14.5	19.8
	Downtown-Direct							12	28.9	45.8	62.7
	Downtown-Indirect							0.6	1.5	2.4	3.3
											3.6

Downtown Conversion Table (From NYC Numbers)

How to use this table: multiply and number for NYC by percentages in this table to arrive with Downtown numbers

	Direct	Indirect	Comments
Construction	100%	7.0% of induced	44% of induced is related to direct (times 16.7%)
Infrastructure	100%	12.0% of induced	75% of induced is related to direct (times 16.7%)
Office	100%	16.7% of induced	
Retail Mall	100%	16.7% of indirect and induced	
Retail Downtown	100%	16.7% of retail, office and tourism indirect and induced 66.7% of residential indirect and induced 7.0% of construction induced 12.0% of Infrastructure induced	
Residential	100%	66.7% of indirect and induced	
Tourism	100%	16.7% of indirect and induced	
Community Business		20.0% of construction indirect and induced 40.0% of office indirect and induced 40.0% of retail indirect and induced 40.0% of tourism indirect and induced 20.0% of Infrastructure indirect and induced 75.0% of residential indirect and induced	

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BASE CASE

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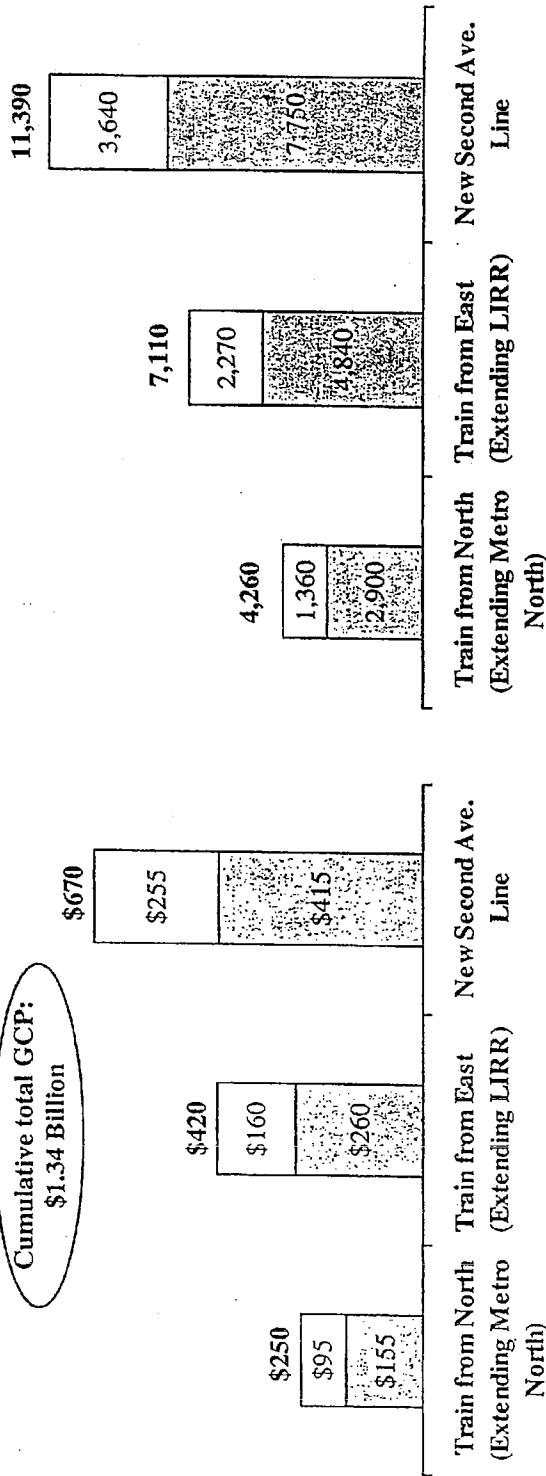
Over the longer term, building efficient new transportation linkages to Lower Manhattan could also serve as the impetus for even larger infrastructure projects (e.g., new rail lines requiring up to \$20 billion of new infrastructure investment), with an aggregate incremental GCP impact to New York City of \$1.34 billion

Incremental Annual GCP of New Transportation Infrastructure 2002E-2006E (\$Millions)

Annual Jobs Created^{(1),(2)} from New Transportation Infrastructure 2002E-2006E



Cumulative total GCP: \$1.34 Billion



Required Investment⁽³⁾ (Billions)

\$3.75 \$6.25 \$10.00

Notes:

- (1) Number of jobs determined by estimating labor costs at 17.5% of total cost with a five-year build period
- (2) Average salary of \$45,000 for all workers
- (3) Based on estimates provided by the NYCP Transportation sector report

Sources: IMPLAN model; NYCP Transportation sector report; U.S. Department of Transportation; Transit Capital Cost Index; A.T. Kearney analysis

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Impact of Rebuilding The WTC Resulting From Construction Activities

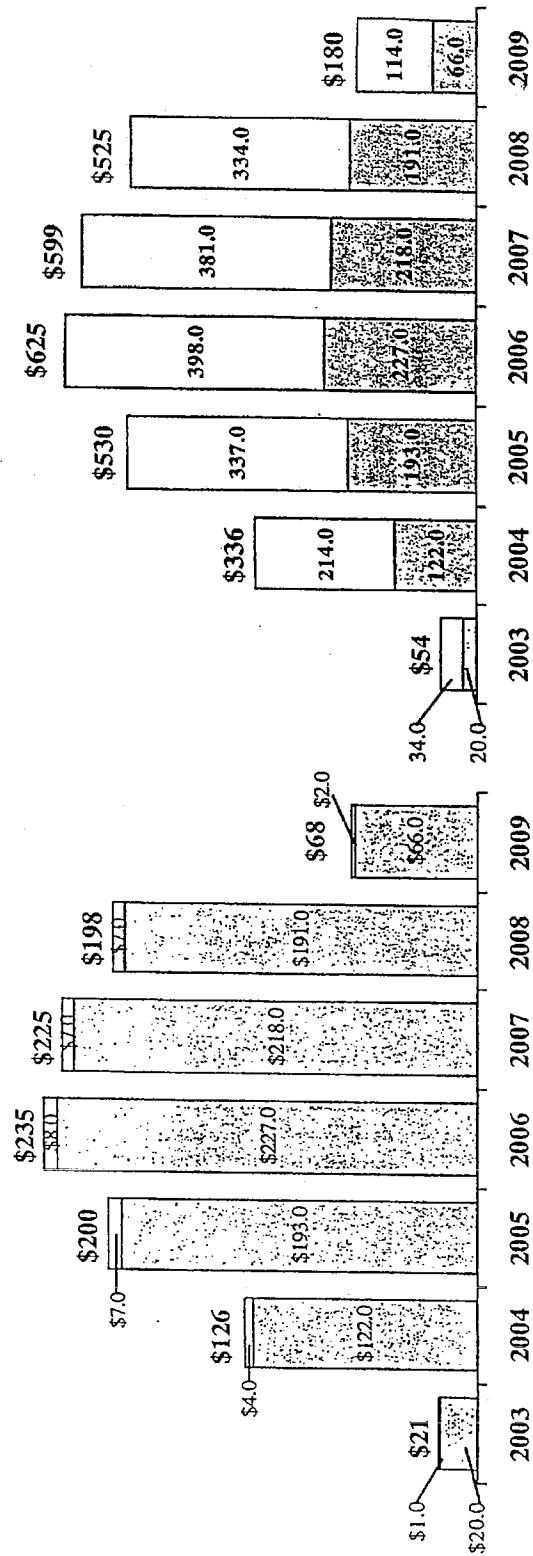
WTC construction activities, likely to peak in 2006, should provide approximately \$1 billion in cumulative GCP for Downtown or \$2.8 billion to New York City through 2009

Incremental Annual GCP For Downtown 2003E-2009E, (\$Million)

Cumulative total GCP:
\$1.07 Billion

Incremental Annual GCP During Construction Phase⁽¹⁾ For NYC, 2003E-2009E, (\$Million)

Cumulative total GCP:
\$2.85 Billion



Note:

(1) Assumed construction schedule: Foundation work begins Jan. 03 and Jan. 04 in East and West sections of the grounds respectively. WTC 7 construction begins Mar. 03 requiring 24 months to complete. Tower 1, Tower 2, Tower 3, Tower 4 construction begins Jun. 04, Jun. 05, Jun. 06 and Jun. 07 respectively, each requiring 31 months to complete. The retail mall construction is assumed to coincide with Towers 1-4 with 25% of the retail mall completed with each tower.

Source:

IMPLAN model; Bovis Lend Lease; AT Kearney analysis

A.T. Kearney 17/19329-cj 35

Value Add Effect: Cumulative Output by Year				
Year	Construction			Total
	Direct	Flowthrough	Induced	
2002	19,578,693	34,291,340	-	53,870,032
2003	122,006,168	213,689,190	9,000,000	335,695,358
2004	192,592,507	337,318,494	57,000,000	529,911,001
2005	227,318,925	398,140,502	91,000,000	625,459,426
2006	217,632,624	381,175,312	107,000,000	598,807,936
2007	190,840,729	334,250,321	102,000,000	525,091,050
2008	65,537,097	114,785,748	90,000,000	180,322,845
2009	-	-	84,000,000	-
2010	-	-	-	-
2011	-	-	-	-
Total	1,035,506,742	1,813,650,907	487,000,000	2,849,157,649

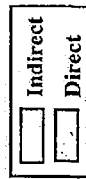
Direct Coefficient	DT %	DT Induced
44%	16%	-
44%	16%	633,600
44%	16%	4,012,800
44%	16%	6,406,400
44%	16%	7,532,800
44%	16%	7,180,800
44%	16%	6,336,000
44%	16%	2,182,400
44%	16%	-
44%	16%	-
44%	16%	34,284,800

Employment Effect: New Jobs Created by Year			
Year	Construction		
	Direct	Flowthrough	Total
2002	-	-	-
2003	364	490	854
2004	2,269	3,055	5,324
2005	3,582	4,822	8,404
2006	4,228	5,691	9,919
2007	4,048	5,449	9,497
2008	3,550	4,778	8,328
2009	1,219	1,641	2,860
2010	-	-	-
2011	-	-	-
Total	19,261	25,925	45,185

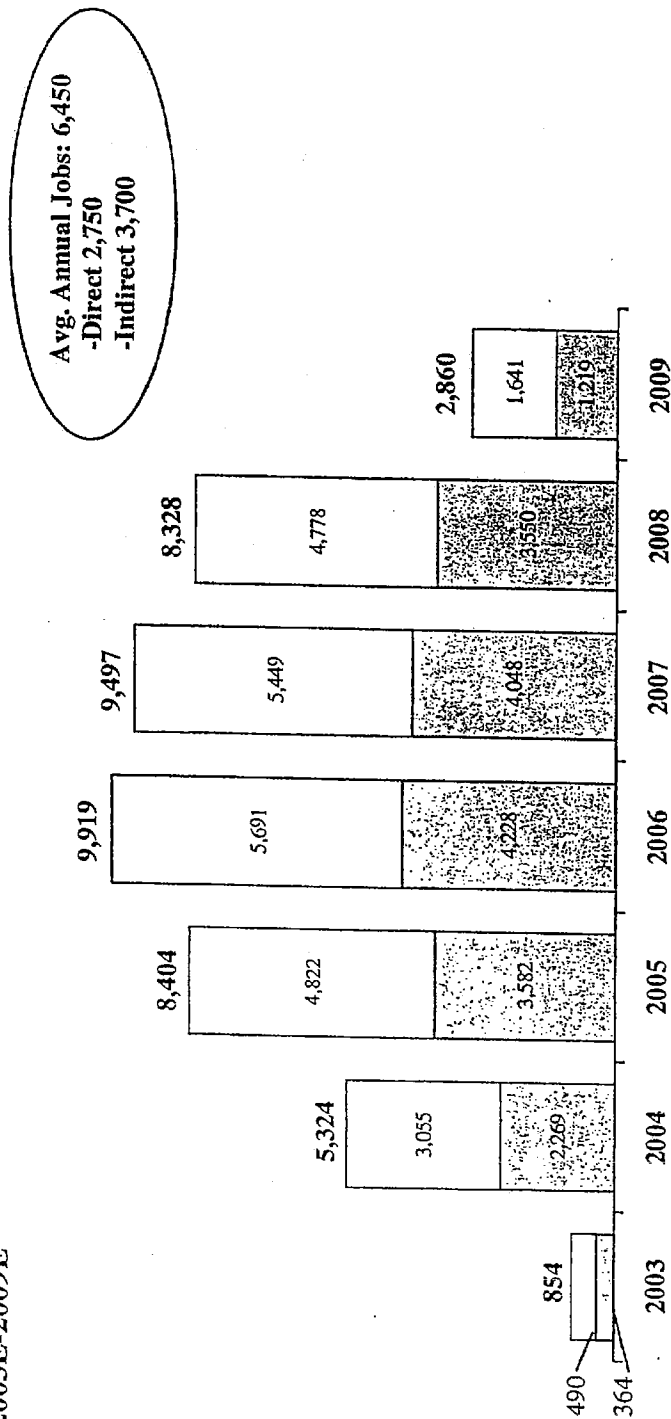
Gil Mermalstein:
 $\text{direct}/(\text{direct}+\text{indirect})=44\%$. Only direct is downturn. Taking direct portion of induced and multiplying by 16% which is the % these employees spend downturn

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Along with creating an average of 2,750 construction jobs annually, construction should generate significant indirect employment of an average of 3,700 additional jobs per year in that period



Job Creation for New York City From Construction Activities⁽¹⁾
2003E-2009E



Note:-

(1) Assumed construction schedule: Foundation work begins Jan. 03 and Jan. 04 in East and West parts of the grounds respectively. WTC 7 construction begins Mar. 03 requiring 24 months to complete. Tower 1, Tower 2, Tower 3, Tower 4 construction begins Jun. 04, Jun. 05, Jun. 06 and Jun. 07 respectively, each requiring 31 months to complete. The retail mall construction is assumed to coincide with Towers 1-4 with 25% of the retail mall completed with each tower.

Source:

IMPLAN model; Bovis Lend Lease; AT Kearney analysis

A.T. Kearney 17/19329-cj 36

Value Add Effect: Cumulative Output by Year						
Year	Construction			Total	Indirect	Induced
	Direct	Flowthrough				
2002	-	-	-	53,870,032	-	-
2003	19,578,693	34,291,340	-	53,870,032	25,000,000	9,000,000
2004	122,006,168	213,689,190	-	335,695,358	156,000,000	57,000,000
2005	192,592,507	337,318,494	-	529,911,001	247,000,000	91,000,000
2006	227,318,925	398,140,502	-	625,459,426	291,000,000	107,000,000
2007	217,632,624	381,175,312	-	598,807,936	279,000,000	102,000,000
2008	190,840,729	334,250,321	-	525,091,050	244,000,000	90,000,000
2009	65,537,097	114,785,748	-	180,322,845	84,000,000	31,000,000
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
Total	1,035,506,742	1,813,650,907	-	2,849,157,649	1,326,000,000	487,000,000

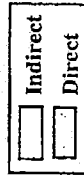
Employment Effect: New Jobs Created by Year						
Year	Construction			Total	Direct Coefficient	DT %
	Direct	Flowthrough				
2002	-	-	-	-	44%	16%
2003	364	490	-	854	44%	16%
2004	2,269	3,055	-	5,324	44%	16%
2005	3,582	4,822	-	8,404	44%	16%
2006	4,228	5,691	-	9,919	44%	16%
2007	4,048	5,449	-	9,497	44%	16%
2008	3,550	4,778	-	8,328	44%	16%
2009	1,219	1,641	-	2,860	44%	16%
2010	-	-	-	-	44%	16%
2011	-	-	-	-	44%	16%
Total	19,261	25,925	-	45,185	44%	16%

Indirect	Induced	DT Induced
-	-	-
25,000,000	9,000,000	633,600
156,000,000	57,000,000	4,012,800
247,000,000	91,000,000	6,406,400
291,000,000	107,000,000	7,532,800
279,000,000	102,000,000	7,180,800
244,000,000	90,000,000	6,336,000
84,000,000	31,000,000	2,182,400
1,326,000,000	487,000,000	34,284,800

Gil Marmelstein:
 direct/(direct+indirect)=44%. Only direct is downturn. Taking direct portion of induced and multiplying by 16% which is the % these employees spend downturn

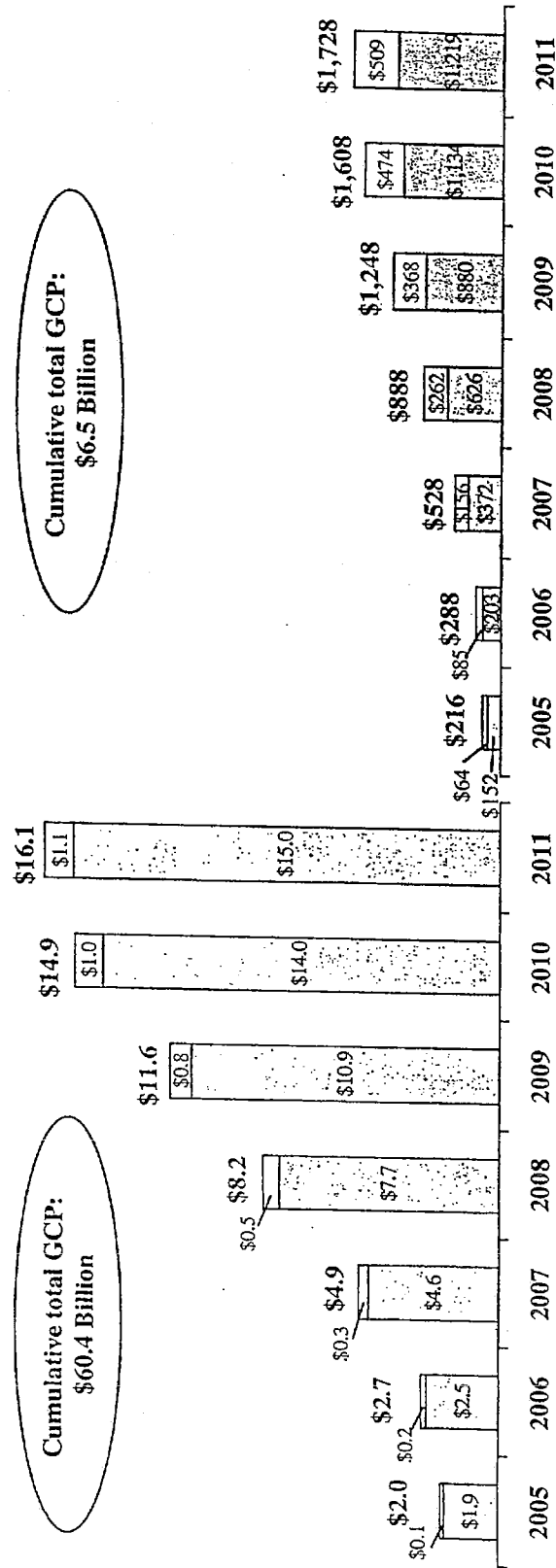
Impact of Office Tenants Within The WTC

Assuming that WTC buildings open as currently scheduled⁽¹⁾ and that the tenants resemble the pre 9/11 mix, tenant occupancy would contribute approximately \$60 billion to Downtown's GCP and an incremental \$6.5 billion to the New York City's GCP through 2011



**Incremental Annual GCP For Downtown⁽⁴⁾
2005E-2011E, (\$Billions)**

**Incremental Annual GCP To New York City
2005E-2011E, (\$Millions)**



Note:

(1) Assumed WTC 7 construction is completed in 2005 and WTC towers 1-4 are completed in Jan. 07, Jan 08, Jan 09, Jan 10 respectively
(2) Analysis assumes WTC tenant mix similar to pre 9/11/01 tenant mix

(3) Only new jobs to the city (excluding relocating jobs from within NYC) used as contributing to GCP

(4) Assumed 90% of tenants' employees are relocating to the WTC from outside Downtown

(5) New York City GCP impact is less than that of Downtown since Downtown economic activity impact is partially due to shifting of activity from other parts of New York City. While such shifting represents a gain to Downtown, it is not a gain for New York City overall

Source:

IMPLAN model; 'WTC Property Book', June 2000; AT Kearney analysis

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INDIRECT IMPACT

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Infrastructure	NYC-Direct	229	216	177							
	NYC-Indirect	76.6	71.4	57.8							
	NYC-Induced	65.8	61.7	50.3							
	Downtown-Direct	229	216	177							
	Downtown-Indirect	8	7	6							
Construction	NYC-Direct		19.5	122	192.5	227.3	217.6	190.8	65.5		
	NYC-Indirect		25	156	247	291	279	244	84		
	NYC-Induced		9	57	91	107	102	90	31		
	Downtown-Direct		19.5	122	192.5	227.3	217.6	190.8	65.5		
	Downtown-Indirect		0.63	3.99	6.37	7.49	7.14	6.3	2.17		
Office	NYC-Direct				1,878.2	2,504.2	4,591.1	7,721.5	10,651.8	13,982.1	15,025.6
	NYC-Indirect				784.7	1,046.3	1,918.2	3,226.2	4,534.1	5,842.0	6,278.0
	Downtown-Direct				1,878.2	2,504.2	4,591.1	7,721.5	10,651.8	13,982.1	15,025.6
	Downtown-Indirect				131.04	174.73	320.34	538.78	757.19	975.61	1,048.43
Residential	NYC-Direct				25.1	52	81.3	113.1	147.6	184.2	223.4
	NYC-Indirect				4.5	9.3	14.6	20.4	26.6	33.2	40.3
	NYC-Induced				3.5	7.3	11.4	15.9	20.8	25.9	31.4
	Downtown-Direct				25.1	52	81.3	113.1	147.6	184.2	223.4
	Downtown-Indirect				5.3	11.1	17.3	24.2	31.6	39.4	47.8
Tourism	NYC-Direct				50	91	134.3	180.1	228.5	279.6	333.5
	NYC-Indirect				11.3	20.6	30.3	40.7	51.6	63.2	75.4
	NYC-Induced				10.4	19	28	37.6	47.7	58.4	69.7
	Downtown-Direct				50	91	134.3	180.1	228.5	279.6	333.5
	Downtown-Indirect				3.6	6.6	9.7	13.1	16.6	20.3	24.2
Retail Mall	NYC-Direct							12	28.9	45.8	62.7
	NYC-Indirect+induced							3.8	9.1	14.5	19.8
	Downtown-Direct							12	28.9	45.8	62.7
	Downtown-Indirect							0.6	1.5	2.4	3.3

Downtown Conversion Table (From NYC Numbers)

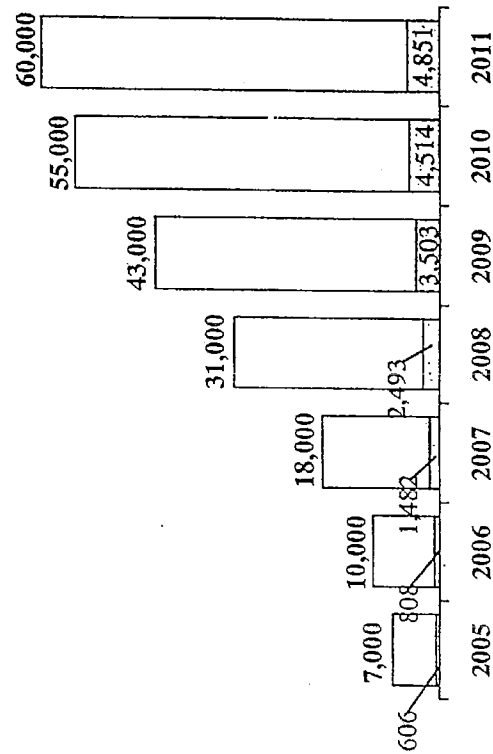
How to use this table: multiply and number for NYC by percentages in this table to arrive with Downtown numbers

	Direct	Indirect	Comments
Construction	100%	7.0% of Induced	44% of induced is related to direct (times 16.7%)
Infrastructure	100%	12.0% of Induced	75% of induced is related to direct (times 16.7%)
Office	100%	16.7% of Induced	
Retail Mall	100%	16.7% of indirect and induced	
Retail Downtown	100%	16.7% of retail, office and tourism indirect and induced	
		66.7% of residential indirect and induced	
		7.0% of construction induced	
		12.0% of infrastructure induced	
Residential	100%	66.7% of indirect and induced	
Tourism	100%	16.7% of indirect and induced	
Community Business	-	20.0% of construction indirect and induced	
		40.0% of office indirect and induced	
		40.0% of retail indirect and induced	
		40.0% of tourism indirect and induced	
		20.0% of infrastructure indirect and induced	
		75.0% of residential indirect and induced	

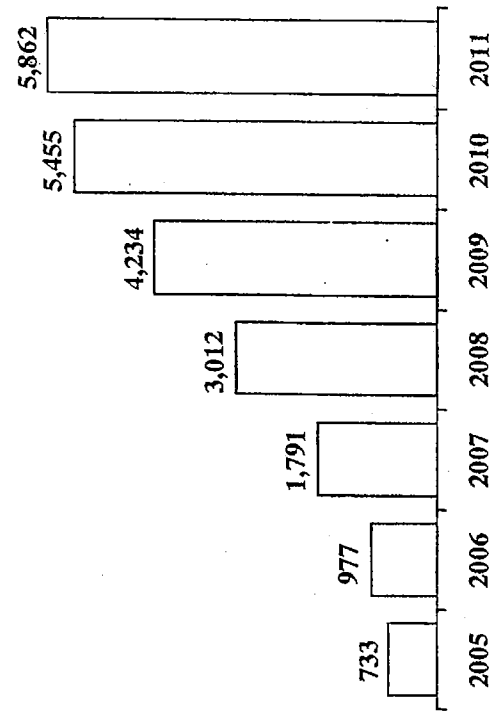
Office tenants in the new WTC⁽¹⁾ are likely to account for approximately 60,000 jobs⁽²⁾ by 2011. For the City as a whole, these tenants represent a gain of 4,800⁽³⁾ direct and 5,800 indirect new jobs during the same period

	Downtown
	New York City

Office Tenants' Impact On Direct New Job Creation in NYC and Downtown 2005E-2011E



Office Tenants' Impact On Indirect New Job Creation in NYC 2005E-2011E



Note:

(1) Assumes total rebuilding of 12 million square feet of office space (including WTC 7)

(2) Analysis assumes WTC tenant mix similar to pre 9/11/01 tenant mix

(3) Only new jobs to the city (excluding relocating jobs from within NYC) are included in analysis for NYC jobs

(4) Although some relocation from NJ, CT and surrounding areas is likely, most new jobs created by WTC are likely to be filled by workers currently employed elsewhere in NYC

Source: IMPLAN model; 'WTC Property Book', June 2000; AT Kearney analysis

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The tenant mix in the new WTC will greatly influence the impact on Downtown, as different industries yield different incomes and employee spending habits. In fact, simulation of three likely mixes shows a considerable difference in indirect employment and in annual incremental GCP depending on tenant mix

	Indirect
	Direct

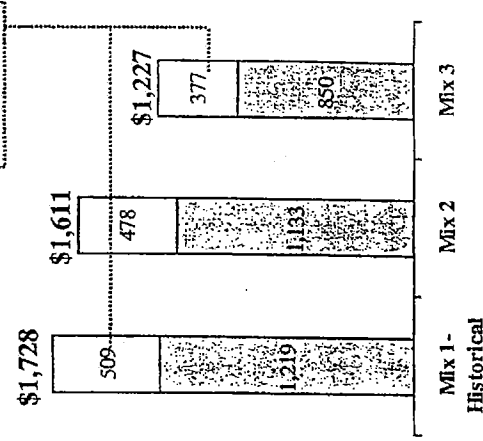
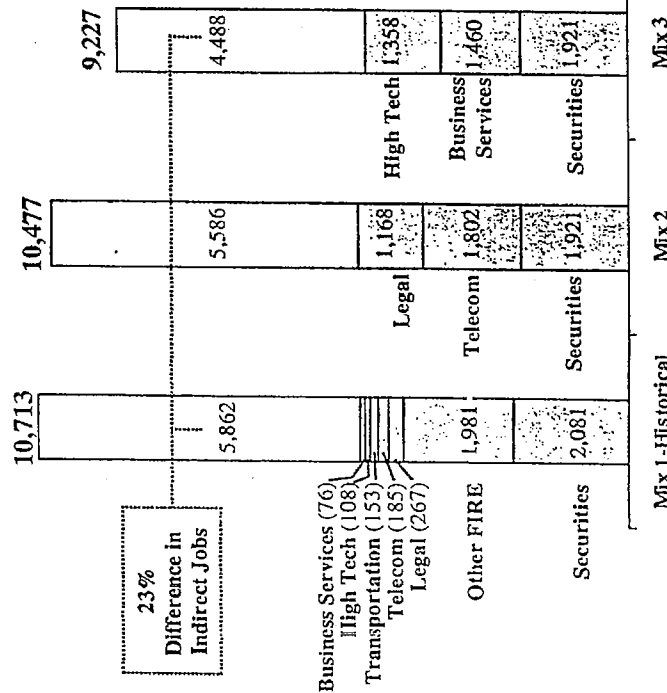
**Tenant Mix Impact On Job Creation
in NYC — 2011 Full Occupancy**

**Tenant Mix Impact On Incremental
Annual GCP in NYC - 2011
(\$ Million)**

Mix 1- Historical ^(2,3)	
Other FIRE ⁽¹⁾	45.0%
Securities	36.1%
Legal	7.6%
Telecom	3.4%
Transportation	3.5%
High Tech	2.7%
Business Services	1.7%

Alternative Tenant Mix 2 ⁽³⁾	
Legal	33.3%
Telecom	33.3%
Securities	33.3%

Alternative Tenant Mix 3 ⁽³⁾	
High Tech	33.3%
Business Services	33.3%
Securities	33.3%



Note:

- (1) Other FIRE includes Financial Institutions, Insurance and Real Estate excluding Securities
- (2) Historical tenant square footage breakdown by industry per 'WTC Property Book' excluding government entities
- (3) Tenant mixes are measured by square feet
- (4) Estimates for average square footage per employee by industry were applied to derive direct occupancy by industry

Source:

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Office Tenants Employee Assumptions- Base Case

Mix I Historical

Industry	# sqf in sample	% breakdown	Sqf/employee	sqf 12,000,000 sqf/employee employees		Employee 10 yr. growth 2001 office emp. 854,050 2010 office emp. 956,450		Total employees
				sector employee growth rate			1.27%	
Real Estate	22,000	0.37%	200	0.0%	219			16
Business Service	104,094	1.73%	200	-1.9%	1,037			75
Telecom	205,814	3.42%	162	-4.7%	2,532			184
Insurance	1,723,204	28.62%	203	-1.5%	18,917			1230
investment banking	262,078	4.35%	152	1.7%	3,436			250
Bank	963,562	16.00%	192	-0.3%	10,001			727
securities	1,911,581	31.75%	152	1.7%	25,062			1822
High Tech	159,824	2.65%	215	4.3%	1,481			108
Legal	459,234	7.63%	250	5.1%	3,661			266
Restaurant	73,000	1.21%	200	-1.9%	727			53
Transportation	137,135	2.28%	200	-0.4%	1,366			99
Total	6,021,526	100.00%			66,440,70			4,831
New employees for NYC 4,831								
New employees for Downtown 59,797								
Assumption: 2004-2010 growth years are captured								
% of WTC employees not relocating for Downtown 90%								

Mix III Historical

Industry	# sqf in sample	% breakdown	Sqf/employee	sqf 12,000,000 sqf/employee employees		Employee 10 yr. growth 2001 office emp. 854,050 2010 office emp. 956,450		Total employees
				sector employee growth rate			1.27%	
Real Estate	22,000		200	0.0%	-			0
Business Service	104,094	33.30%	200	0.0%	19,580			1453
Telecom	205,814		162	0.0%	-			0
Insurance	1,723,204		203	0.0%	-			0
investment banking	262,078		152	0.0%	-			0
Bank	963,562		192	0.0%	-			0
securities	1,911,581	33.30%	152	0.0%	26,289			1912
High Tech	159,824	33.30%	215	0.0%	18,586			1351
Legal	459,234		250	0.0%	-			0
Restaurant	73,000		200	0.0%	-			0
Transportation	137,135		200	0.0%	-			0
Total	6,021,526	99.90%			64,855.52			4,716
New employees for NYC 4,716								
New employees for Downtown 58,370								
Assumption: 2004-2010 growth years are captured								
% of WTC employees not relocating for Downtown 90%								

Mix II Historical

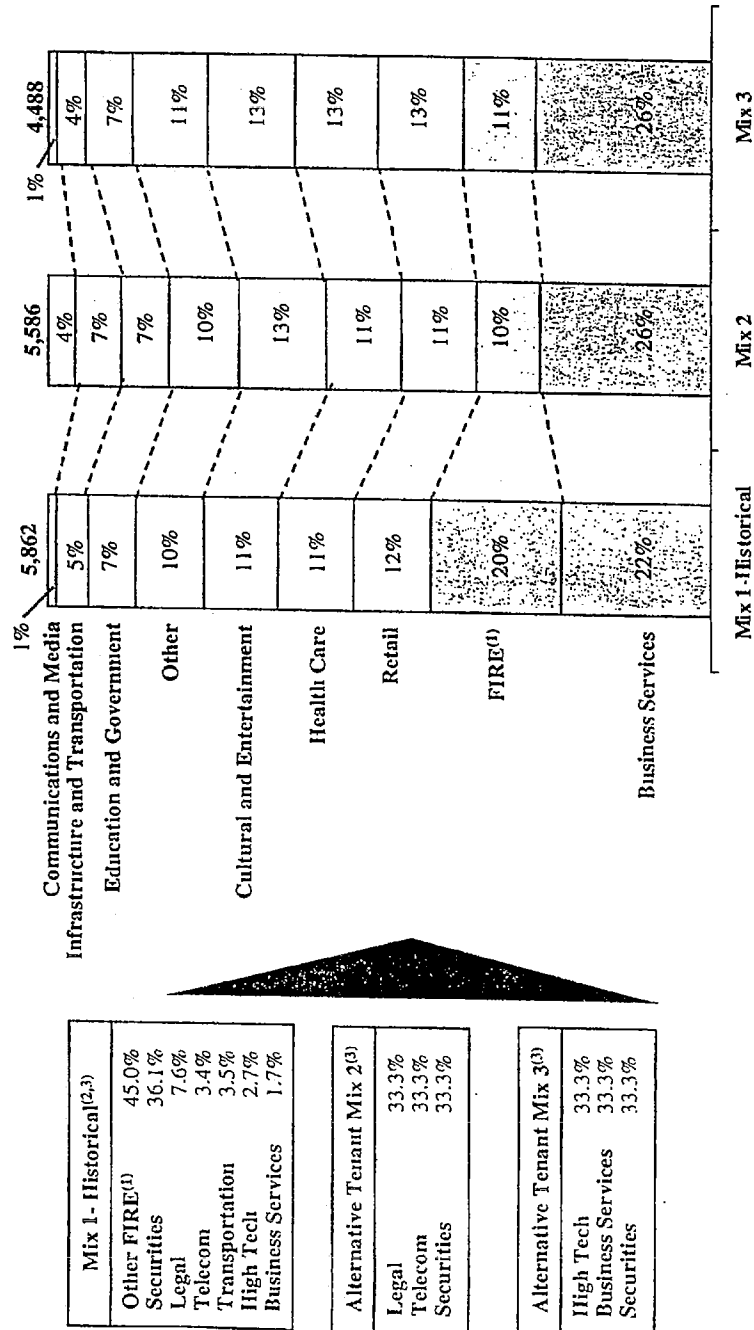
Industry	# sqf in sample	% breakdown	Sqf/employee	sqf 12,000,000 sqf/employee employees		Employee 10 yr. growth 2001 office emp. 854,050 2010 office emp. 956,450		Total employees
				sector employee growth rate			1.27%	
Real Estate	22,000		200	0.0%	-			0
Business Service	104,094		200	0.0%	-			0
Telecom	205,814	33.30%	162	0.0%	24,667			1794
Insurance	1,723,204		203	0.0%	-			0
investment banking	262,078		152	0.0%	-			0
Bank	963,562		192	0.0%	-			0
securities	1,911,581	33.30%	152	0.0%	26,289			1912
High Tech	159,824		215	0.0%	18,586			1351
Legal	459,234	33.30%	250	0.0%	-			0
Restaurant	73,000		200	0.0%	-			0
Transportation	137,135		200	0.0%	-			0
Total	6,021,526	99.90%			69,542.19			5,057
New employees for NYC 5,057								
New employees for Downtown 62,588								
Assumption: 2004-2010 growth years are captured								
% of WTC employees not relocating for Downtown 90%								

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Furthermore, the WTC tenant mix will noticeably influence the variety of indirect jobs generated in the area

Impact of Tenant Mix On Indirect Job Creation In The Downtown⁽²⁾ Area 2011 Full Occupancy



Mix 1 - Historical ^(2,3)	
Other FIRE ⁽¹⁾	45.0%
Securities	36.1%
Legal	7.6%
Telecom	3.4%
Transportation	3.5%
High Tech	2.7%
Business Services	1.7%

Alternative Tenant Mix 2 ⁽³⁾	
Legal	33.3%
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Securities	33.3%

Alternative Tenant Mix 3 ⁽³⁾	
High Tech	33.3%
Business Services	33.3%
Securities	33.3%

Note:

(1) Other FIRE includes Financial Institutions, Insurance and Real Estate excluding Securities

(2) Historical tenant square footage breakdown by industry per 'WTC Property Book' excluding government entities

(3) Tenant Mixes are measured by square footage
IMPLAN model; AT Kearney analysis

Source:

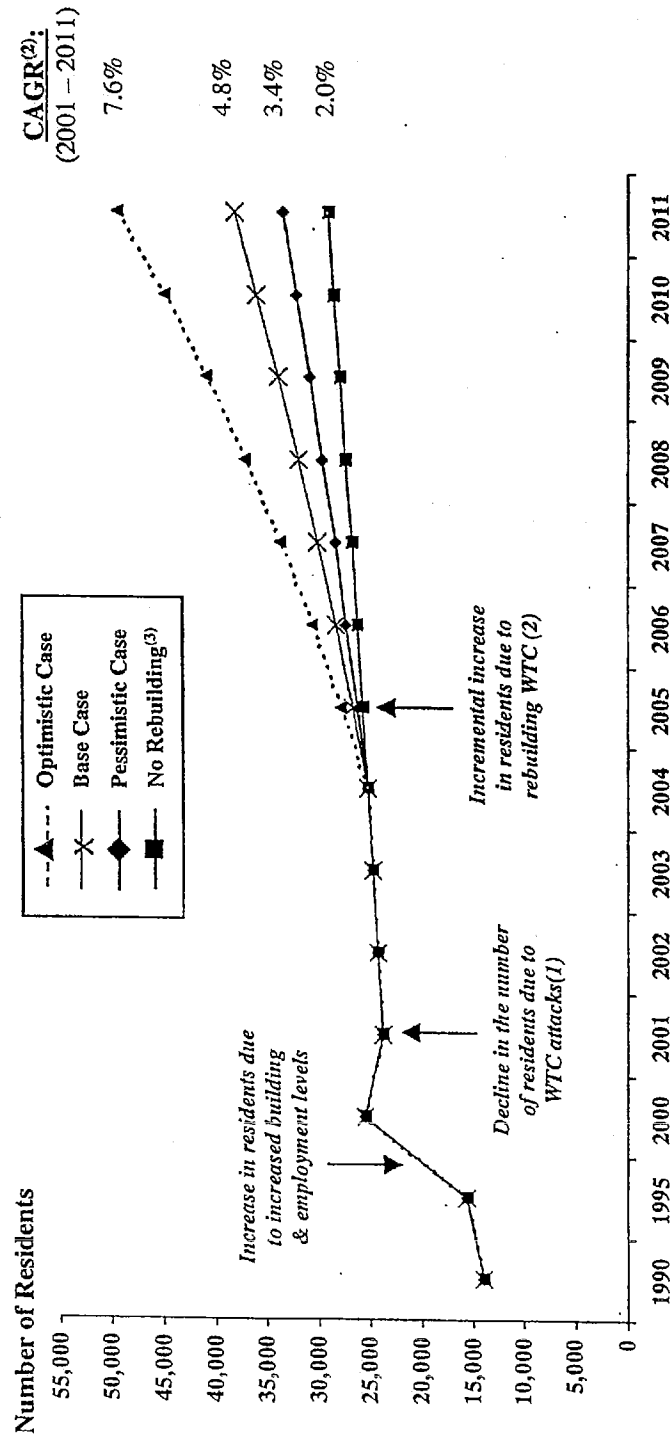
A.T. Kearney 17/19329-cj 40



Impact of Rebuilding on the Residential Market

Over the last decade, the Downtown residential market has enjoyed dramatic growth. While the attacks have led to a significant decline in the number of local residents, rebuilding the WTC will encourage the recovery of the residential community to levels above those pre 9/11

Impact of Rebuilding on Number of Residents Downtown⁽²⁾



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Notes:

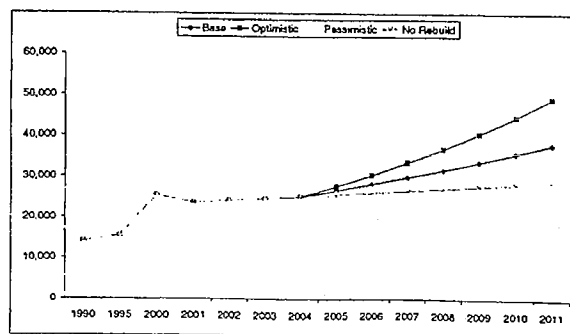
- (1) The number of residents Downtown is assumed to decline by 7% in 2001 due to the WTC attacks – based on Harris Interactive survey of NYC residents likely to move as a result of the September 11th attacks
- (2) Incremental increase in residents in 2005 driven by new office employees living Downtown and residential growth starting in 2005. The growth rates assumed from 2005 to 2011 are as follows: Optimistic (10%), Base (6%), Pessimistic (4%) and No rebuilding (2%). Basis for annual growth scenario utilized historical high & slow growth periods: Slow 2% (1990-95), high 10% (1995-2000)
- (3) Assumes no rebuilding of office buildings and only repair of infrastructure and memorial construction done. As such, residential growth would be minimal

Source:

Alliance for Downtown – "Downtown NY: A Community Comes of Age"; NYCP – Harris Interactive Survey; A.T. Kearney analysis; Kearney 17/19329-cj 41

Residential Demand (1990 - 2011)

PROPOSED REVENUE APPROPRIATION - 2000						CAOBI					
	1970	1980	1990	1995	2000	1970 - 1980	1980 - 1990	1990 - 1995	1995 - 2000		
Number of Residents											
Downtown Core	851	8,222	8,527	8,527	15,927	22.0%	2.2%	0.0%	13.2%		
Battery Park City	0	0	5,548	7,048	9,546	0.0%	3.2%	1.5%	8.3%		
Total	851	8,222	14,075	15,575	25,473	22.0%	5.4%	1.5%	21.5%		
PROPOSED REVENUE APPROPRIATION - 2011											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Number of Residents											
Base Case	23,890	24,164	24,847	25,140	25,964	26,269	26,563	27,008	27,344	26,795	27,361
Optimistic Case	23,890	24,164	24,847	25,140	27,477	30,432	30,523	30,813	40,843	44,745	49,232
Pessimistic Case	23,890	24,164	24,847	25,140	26,156	27,205	26,203	26,452	30,848	31,388	33,189
No Rebidding	23,890	24,164	24,847	25,140	25,843	26,156	26,878	27,212	27,758	28,312	28,878
CAOBI:											
	5-Year		10-Year								
Base Case	8.1%		4.8%								
Optimistic Case	10.1%		7.6%								
Pessimistic Case	4.0%		3.4%								
No Rebidding	8.0%		2.0%								
PROPOSED REVENUE APPROPRIATION - 2011											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of Residents											
Base Case	-7.0%	2.0%	2.0%	2.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Optimistic Case	-7.0%	2.0%	2.0%	2.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Pessimistic Case	-7.0%	2.0%	2.0%	2.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
No Rebidding	-7.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
PROPOSED REVENUE APPROPRIATION - 2011											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Annual New Residents From Residential Growth											
Base Case	1,508	1,600	1,696	1,799	1,908	2,025	2,144				
Optimistic Case	2,514	2,768	3,045	3,352	3,681	4,064	4,475				
Pessimistic Case	1,006	1,046	1,084	1,132	1,178	1,228	1,278				
No Rebidding	503	513	523	534	544	555	566				
Annual New Residents From New Office Employees											
Base Case	18	5	18	26	26	26	26	9			
Optimistic Case	23	8	25	36	36	36	36	15			
Pessimistic Case	10	3	11	16	16	16	16	8			
No Rebidding	0	0	0	0	0	0	0	0			
Total Annual New Residents (Growth plus New Employees)											
Base Case	1,526	1,605	1,714	1,825	1,935	2,051	2,170				
Optimistic Case	2,537	2,776	3,071	3,388	3,717	4,100	4,490				
Pessimistic Case	1,016	1,049	1,095	1,148	1,194	1,244	1,294				
No Rebidding	503	513	523	534	544	555	566				
PROPOSED REVENUE APPROPRIATION - 2011											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Annual Incremental New Residents (Total less No Rebidding)											
Base Case	1,021	1,092	1,191	1,292	1,391	1,496	1,590				
Optimistic Case	2,034	2,262	2,548	2,857	3,185	3,547	3,921				
Pessimistic Case	513	537	576	615	650	687	710				
No Rebidding	0	0	0	0	0	0	0				
PROPOSED REVENUE APPROPRIATION - 2011											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
% of Workers Who Live Downtown - 2000											
Num. of Residents Who Live Downtown				25,473							
% of Downtown Residents Who Work Downtown				36.0%							
Num. of Residents Not Work & Live Downtown				9,890							
Total Num. of Workers Downtown				35,363							
% of Downtown Workers That Live Downtown				2.6%							
PROPOSED REVENUE APPROPRIATION - 2011											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cumulative											
Office Employees in WTC											
Total Possible Employees	86,447	86,447	86,447	86,447	86,447	86,447	86,447	86,447	86,447	86,447	86,448
Absorption %	12.6%	18.7%	30.8%	51.4%	72.2%	83.1%	100.0%				
Total Employees in Building	8,394	11,073	20,303	34,148	47,890	61,833	68,448				
Base Case Scenario											
New Employees	604	806	1,478	2,483	3,489	4,496	4,831				
Other Employees	7,790	10,269	18,827	31,665	44,400	57,337	61,617				
Optimistic Case Scenario											
New Employees Subtotal	870	1,190	2,137	3,571	5,027	6,478	6,961				
Other Employees	7,426	9,914	18,176	30,569	42,392	55,355	54,872				
Pessimistic Case Scenario											
New Employees Subtotal	367	489	896	1,507	2,118	2,728	2,832				
Other Employees	7,829	10,586	19,407	32,640	45,872	58,104	64,301				
PROPOSED REVENUE APPROPRIATION - 2011											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Annual Incremental New Employees											
Base Case Scenario	604	201	871	1,006	1,006	1,006	336				
Optimistic Case Scenario	870	290	967	1,450	1,450	1,450	483				
Pessimistic Case Scenario	367	122	407	511	511	511	204				
No Rebidding	0	0	0	0	0	0	0				
PROPOSED REVENUE APPROPRIATION - 2011											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Absorption Analysis (MSF)											
Total Office Space Absorbed	1,500,000	2,000,000	3,556,967	6,166,967	8,868,867	11,166,867	12,000,000				
Total Possible Square Footage	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000				
Absorption Percentage	12.5%	16.7%	30.8%	51.4%	72.2%	83.1%	100.0%				
PROPOSED REVENUE APPROPRIATION - 2011											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Base	14,073	15,573	25,473	23,890	24,164	24,847	25,140	25,964	26,269	26,563	27,008
Optim	14,073	15,573	25,473	23,890	24,164	24,847	25,140	27,477	30,432	30,523	30,813
Pessim	14,073	15,573	25,473	23,890	24,164	24,847	25,140	26,156	27,205	26,203	26,452
No Re	14,073	15,573	25,473	23,890	24,164	24,847	25,140	25,843	26,156	26,878	27,212

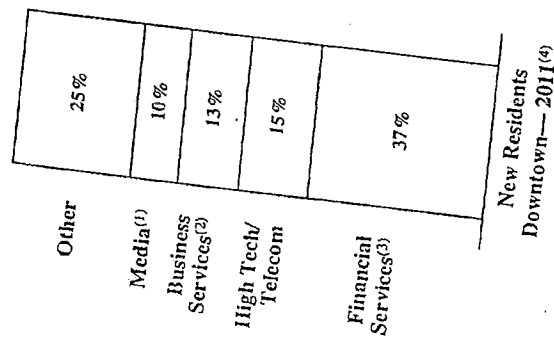


EDSSR 000641

An influx of new residents will influence the level of spending in the local community. If highly paid professionals move to the area as they did prior to September 11th, their spending will further strengthen the Downtown economy

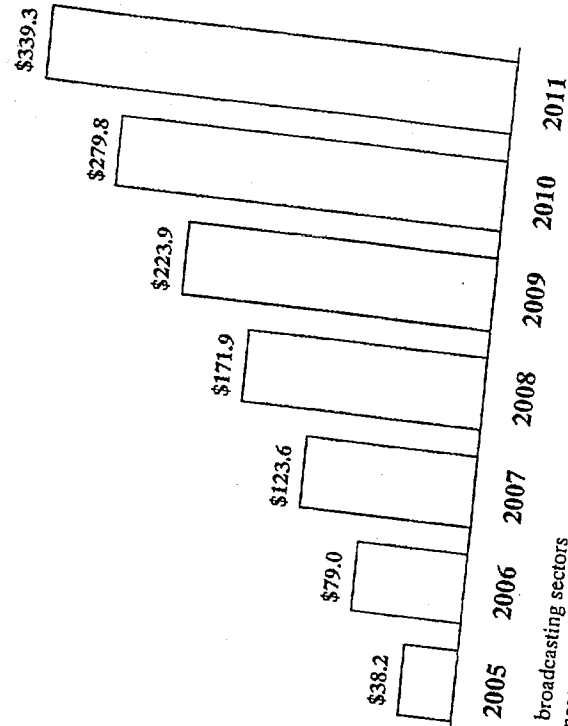
Incremental New Residents Downtown — Base Case Scenario

100% = 9,073



Average Salary	Annual Local Spending ⁽⁵⁾
\$49,913	\$21,040
\$94,140	\$31,133
\$99,467	\$31,133
\$86,281	\$27,006
\$182,013	\$56,998

Incremental Spending in the Community by New Residents — Base Case Scenario (\$Millions)



Notes:

- (1) Media includes residents employed in the advertising, publishing and broadcasting sectors
- (2) Business services includes residents employed in legal and other business services related professions
- (3) Financial services includes residents employed in brokerage, insurance, commercial banking and real estate sectors
- (4) Percentage breakdowns of residents by industry is assumed to be the same as historical resident industry breakdowns
- (5) Local spending derived using U.S. Department of Labor Statistics - Consumer Expenditure survey for different income levels

Sources:

Alliance for Downtown - "Downtown NY: A Community Comes of Age"; U.S. Department of Labor Statistics - Consumer Expenditures in 1999; IMPLAN Model, A. T. Kearney analysis

A.T. Kearney 17/19329-cj

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Initial Spending (2005 - 2011)

	2005	2006	2007	2008	2009	2010	2011
Incremental New Residents							
Base Case	1,021	1,092	1,191	1,292	1,391	1,496	1,590
Optimistic Case	2,034	2,262	2,548	2,857	3,185	3,547	3,921
Pessimistic Case	512	537	576	615	650	687	715
No Rebuilding	0	0	0	0	0	0	0
Active New Residents							
Base Case	1,021	2,114	3,304	4,596	5,987	7,483	9,073
Optimistic Case	2,034	4,297	6,844	9,701	12,886	16,433	20,354
Pessimistic Case	512	1,049	1,625	2,239	2,889	3,576	4,291
No Rebuilding	0	0	0	0	0	0	0

Breakdown of Residents By Industry

Base Case							
Industry	%						
Real Estate	0.2%	2	4	6	8	10	15
Business Service	2.4%	25	51	79	110	144	218
Telecom	8.4%	86	178	279	388	506	786
Insurance	13.1%	133	276	432	600	782	1,185
Investment Banking	2.0%	20	42	66	91	119	180
Commercial Banking	7.3%	75	154	241	336	437	663
Securities and Brokerage	14.5%	148	306	479	666	867	1,314
High Technology	6.6%	67	139	217	301	393	595
Legal Services	10.6%	108	224	350	487	635	962
Advertising	3.3%	34	70	110	153	200	302
Publishing	3.3%	34	70	110	153	200	302
Broadcasting	3.3%	34	70	110	153	200	302
Restaurant	8.7%	89	184	287	399	520	788
Transportation	16.3%	167	345	539	750	977	1,480
Total	100.0%	1,021	2,114	3,304	4,596	5,987	9,073
Pessimistic Case							
Industry	%						
Real Estate	0.2%	3	7	11	16	21	34
Business Service	2.4%	49	103	164	233	310	489
Telecom	8.4%	172	363	578	819	1,088	1,719
Insurance	13.1%	266	561	894	1,267	1,683	2,658
Investment Banking	2.0%	40	85	136	193	256	404
Commercial Banking	7.3%	149	314	500	708	941	1,488
Securities and Brokerage	14.5%	295	622	991	1,405	1,867	2,949
High Technology	6.6%	133	282	449	636	845	1,335
Legal Services	10.6%	216	455	725	1,028	1,366	2,157
Advertising	3.3%	68	143	228	323	430	678
Publishing	3.3%	68	143	228	323	430	678
Broadcasting	3.3%	68	143	228	323	430	678
Restaurant	8.7%	177	373	594	843	1,119	1,768
Transportation	16.3%	332	701	1,117	1,583	2,102	3,321
Total	100.00%	2,034	4,297	6,844	9,701	12,886	20,354
Optimistic Case							
Industry	%						
Real Estate	0.2%	1	2	3	4	5	7
Business Service	2.4%	12	25	39	54	69	103
Telecom	8.4%	43	89	137	189	244	362
Insurance	13.1%	67	137	212	292	377	560
Investment Banking	2.0%	10	21	32	44	57	85
Commercial Banking	7.3%	37	77	119	164	211	313
Securities and Brokerage	14.5%	74	152	235	324	419	622
High Technology	6.6%	34	69	107	147	189	281
Legal Services	10.6%	54	111	172	237	306	455
Advertising	3.3%	17	35	54	75	96	143
Publishing	3.3%	17	35	54	75	96	143
Broadcasting	3.3%	17	35	54	75	96	143
Restaurant	8.7%	45	91	141	194	251	373
Transportation	16.3%	84	171	265	365	471	700
Total	100.00%	512	1,049	1,625	2,239	2,889	4,291

Regulate Expenditures from New Residents By Industry

Base Case							
Industry							
Real Estate	\$52,261	\$108,145	\$189,063	\$235,158	\$306,312	\$382,848	\$464,209
Business Service	\$1,492,366	\$3,088,187	\$4,827,777	\$6,715,205	\$8,747,061	\$10,932,633	\$13,255,996
Telecom	\$5,354,861	\$11,080,934	\$17,322,876	\$24,095,286	\$31,385,926	\$39,228,127	\$47,564,745
Insurance	\$10,138,292	\$20,979,392	\$32,797,182	\$45,619,301	\$59,422,577	\$74,270,117	\$90,053,730
Investment Banking	\$3,647,233	\$7,547,301	\$11,798,730	\$16,411,466	\$21,377,171	\$26,718,548	\$32,996,676
Commercial Banking	\$6,445,881	\$13,338,604	\$20,852,302	\$29,004,548	\$37,780,610	\$47,220,609	\$57,255,760
Securities and Brokerage	\$26,602,696	\$55,049,552	\$86,059,222	\$119,704,232	\$155,923,782	\$194,883,463	\$236,299,382
High Technology	\$3,652,249	\$7,557,680	\$11,814,957	\$16,434,036	\$21,406,570	\$26,755,293	\$32,441,229
Legal Services	\$7,506,734	\$15,533,852	\$24,284,143	\$33,778,073	\$43,998,485	\$54,992,106	\$66,678,827
Advertising	\$2,070,840	\$4,285,235	\$6,699,127	\$9,318,163	\$12,137,610	\$15,170,357	\$18,394,306
Publishing	\$1,704,539	\$3,527,241	\$5,514,152	\$7,669,919	\$9,990,648	\$12,486,947	\$15,140,628
Broadcasting	\$2,776,299	\$5,745,057	\$8,981,275	\$12,492,521	\$16,272,450	\$20,338,343	\$24,660,573
Restaurant	\$3,891,967	\$8,053,733	\$12,590,439	\$17,512,694	\$22,811,603	\$28,511,393	\$34,570,530
Transportation	\$7,311,299	\$15,129,434	\$23,651,915	\$32,898,675	\$42,853,009	\$53,560,410	\$64,942,872
Total	\$82,647,516	\$171,024,346	\$267,363,160	\$371,889,276	\$484,413,807	\$605,451,194	\$734,119,462

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Optimistic Case

Industry							
Real Estate	\$104,067	\$219,819	\$350,155	\$496,317	\$659,279	\$840,764	\$1,041,369
Business Service	\$2,971,758	\$6,277,166	\$9,999,064	\$14,172,869	\$18,826,418	\$24,008,933	\$29,737,429
Telecom	\$10,663,168	\$22,523,528	\$35,878,325	\$50,854,640	\$67,552,357	\$86,148,092	\$106,702,897
Insurance	\$20,188,441	\$42,643,511	\$67,927,978	\$96,282,447	\$127,896,023	\$163,103,093	\$202,019,246
Investment Banking	\$7,262,757	\$15,340,930	\$24,436,974	\$34,637,446	\$46,010,376	\$58,676,059	\$72,676,079
Commercial Banking	\$12,835,721	\$27,112,554	\$43,188,306	\$61,215,951	\$81,315,722	\$103,700,220	\$128,442,936
Securities and Brokerage	\$52,974,108	\$111,895,812	\$178,241,804	\$252,643,424	\$335,596,886	\$427,979,608	\$530,094,900
High Technology	\$7,272,745	\$15,362,028	\$24,470,581	\$34,685,081	\$46,073,652	\$58,756,754	\$72,776,027
Legal Services	\$14,948,204	\$31,574,697	\$50,296,172	\$71,290,779	\$94,698,540	\$120,767,045	\$149,581,880
Advertising	\$4,123,675	\$8,710,331	\$13,874,917	\$19,666,579	\$26,123,944	\$33,315,313	\$41,264,296
Publishing	\$3,394,259	\$7,169,603	\$11,420,651	\$16,187,855	\$21,503,008	\$27,422,331	\$33,965,258
Broadcasting	\$5,528,481	\$11,677,622	\$18,601,693	\$26,368,263	\$35,023,415	\$44,664,621	\$55,321,532
Restaurant	\$7,750,096	\$16,370,324	\$26,076,723	\$36,961,659	\$49,097,726	\$62,613,291	\$77,552,728
Transportation	\$14,559,034	\$30,752,663	\$48,986,732	\$69,434,754	\$92,233,104	\$117,622,926	\$145,687,580
Total	\$164,576,494	\$347,630,588	\$553,749,976	\$784,896,062	\$1,042,610,452	\$1,329,619,049	\$1,646,864,158

Pessimistic Case

Industry							
Real Estate	\$26,217	\$53,669	\$83,127	\$114,573	\$147,822	\$182,959	\$219,521
Business Service	\$748,864	\$1,552,577	\$2,373,786	\$3,271,754	\$4,221,231	\$5,224,589	\$6,268,654
Telecom	\$2,686,333	\$5,499,145	\$8,517,545	\$11,739,603	\$15,146,486	\$18,746,706	\$22,492,985
Insurance	\$5,086,001	\$10,411,461	\$16,126,160	\$22,226,442	\$28,676,651	\$35,492,902	\$42,585,685
Investment Banking	\$1,829,680	\$3,745,505	\$5,801,359	\$7,995,925	\$10,316,376	\$12,768,511	\$15,320,127
Commercial Banking	\$3,233,657	\$6,619,560	\$10,252,941	\$14,131,473	\$18,232,487	\$22,566,229	\$27,075,788
Securities and Brokerage	\$13,345,576	\$27,319,488	\$42,314,757	\$58,321,769	\$75,247,021	\$93,132,741	\$111,744,077
High Technology	\$1,632,196	\$3,760,656	\$5,809,337	\$8,006,921	\$10,330,564	\$12,786,071	\$15,341,196
Legal Services	\$3,765,847	\$7,708,998	\$11,940,354	\$16,457,209	\$21,233,162	\$26,280,144	\$31,531,881
Advertising	\$1,038,863	\$2,126,637	\$3,293,917	\$4,539,956	\$5,857,471	\$7,249,753	\$8,698,519
Publishing	\$855,103	\$1,750,467	\$2,711,272	\$3,736,906	\$4,821,372	\$5,967,380	\$7,158,881
Broadcasting	\$1,392,765	\$2,851,104	\$4,416,034	\$6,086,553	\$7,852,897	\$9,719,478	\$11,661,787
Restaurant	\$1,952,454	\$3,996,833	\$6,190,637	\$8,532,461	\$11,008,617	\$13,625,293	\$16,348,126
Transportation	\$3,667,805	\$7,508,297	\$11,629,492	\$16,028,753	\$20,680,366	\$25,595,952	\$30,710,962
Total	\$41,461,161	\$84,874,398	\$131,460,720	\$181,190,318	\$233,772,522	\$289,338,707	\$347,159,189

Lower Manhattan Expenditures from New Residents By Industry

Base Case

Industry							
Real Estate	\$26,598	\$55,040	\$86,044	\$119,683	\$155,896	\$194,849	\$236,258
Business Service	\$685,601	\$1,418,730	\$2,217,906	\$3,085,001	\$4,018,445	\$5,022,510	\$6,089,875
Telecom	\$2,460,052	\$5,090,640	\$7,958,222	\$11,069,503	\$14,418,862	\$18,021,611	\$21,851,497
Insurance	\$4,657,585	\$9,638,045	\$15,067,200	\$20,957,750	\$27,299,048	\$34,120,067	\$41,371,163
Investment Banking	\$1,675,558	\$3,467,270	\$5,420,400	\$7,539,515	\$9,820,786	\$12,274,643	\$14,893,205
Commercial Banking	\$2,961,272	\$6,127,826	\$9,579,659	\$13,324,844	\$17,356,613	\$21,693,400	\$26,303,601
Securities and Brokerage	\$12,221,420	\$25,290,057	\$39,536,065	\$54,992,762	\$71,632,216	\$89,530,501	\$108,557,195
High Technology	\$1,677,863	\$3,472,039	\$5,427,854	\$7,549,883	\$9,834,292	\$12,291,524	\$14,903,674
Legal Services	\$3,448,634	\$7,136,334	\$11,156,264	\$15,517,827	\$20,213,138	\$25,263,666	\$30,632,608
Advertising	\$951,355	\$1,968,660	\$3,077,615	\$4,280,814	\$5,576,083	\$6,969,343	\$8,450,442
Publishing	\$783,074	\$1,620,433	\$2,533,231	\$3,523,602	\$4,589,757	\$5,736,570	\$6,955,685
Broadcasting	\$1,275,447	\$2,639,310	\$4,126,046	\$5,739,131	\$7,475,650	\$9,343,543	\$11,329,198
Restaurant	\$1,866,508	\$3,862,407	\$6,038,119	\$8,398,733	\$10,939,983	\$13,673,487	\$16,579,326
Transportation	\$3,506,351	\$7,255,770	\$11,342,980	\$15,777,538	\$20,551,432	\$25,686,488	\$31,145,286
Total	\$38,197,318	\$79,042,560	\$123,567,604	\$171,876,585	\$223,882,204	\$279,822,222	\$339,289,014

Optimistic Case

Industry							
Real Estate	\$52,965	\$111,876	\$178,210	\$252,599	\$335,538	\$427,904	\$530,001
Business Service	\$1,365,241	\$2,883,764	\$4,593,623	\$6,511,092	\$8,648,957	\$11,029,832	\$13,681,533
Telecom	\$4,898,716	\$10,347,429	\$16,482,693	\$23,362,893	\$31,033,913	\$39,576,892	\$49,019,879
Insurance	\$9,274,677	\$19,590,658	\$31,206,475	\$44,232,669	\$58,756,114	\$74,930,430	\$92,808,718
Investment Banking	\$3,336,549	\$7,047,705	\$11,226,476	\$15,912,627	\$21,137,412	\$26,956,094	\$33,387,778
Commercial Banking	\$5,896,798	\$12,455,652	\$19,840,938	\$28,122,934	\$37,356,876	\$47,640,433	\$59,007,369
Securities and Brokerage	\$24,336,587	\$51,405,532	\$81,885,234	\$116,065,735	\$154,174,997	\$196,616,112	\$243,528,421
High Technology	\$3,341,138	\$7,057,397	\$11,241,915	\$15,934,511	\$21,166,481	\$26,993,166	\$33,433,695
Legal Services	\$6,867,285	\$14,505,584	\$23,106,329	\$32,751,364	\$43,505,014	\$55,481,024	\$68,718,713
Advertising	\$1,894,438	\$4,001,572	\$6,374,211	\$9,034,931	\$12,001,479	\$15,305,232	\$18,957,038
Publishing	\$1,559,341	\$3,293,754	\$5,246,708	\$7,436,787	\$9,878,596	\$12,597,965	\$15,603,821
Broadcasting	\$2,539,804	\$5,364,762	\$8,545,671	\$12,112,801	\$16,089,944	\$20,519,165	\$25,415,007
Restaurant	\$3,716,789	\$7,850,876	\$12,505,868	\$17,726,063	\$23,546,275	\$30,028,066	\$37,192,718
Transportation	\$6,982,218	\$14,748,354	\$23,493,045	\$33,299,502	\$44,233,129	\$56,409,573	\$69,868,813
Total	\$76,062,547	\$160,664,913	\$255,927,397	\$362,756,506	\$481,864,724	\$614,511,887	\$761,133,501

Pessimistic Case

Industry							
Real Estate	\$13,343	\$27,315	\$42,307	\$58,312	\$75,234	\$93,116	\$111,724
Business Service	\$343,940	\$704,074	\$1,090,530	\$1,503,061	\$1,939,256	\$2,400,204	\$2,879,853
Telecom	\$1,234,116	\$2,526,336	\$3,913,006	\$5,393,236	\$6,958,377	\$8,612,337	\$10,333,397
Insurance	\$2,336,536	\$4,783,081	\$7,408,444	\$10,210,946	\$13,174,206	\$16,305,628	\$19,564,090
Investment Banking	\$840,565	\$1,720,705	\$2,665,175	\$3,673,370	\$4,739,398	\$5,865,922	\$7,038,148
Commercial Banking	\$1,485,559	\$3,041,061	\$4,710,256	\$6,492,074	\$8,376,102	\$10,367,046	\$12,438,761
Securities and Brokerage	\$6,131,029	\$12,550,718	\$19,439,625	\$26,789,340	\$34,568,882	\$42,785,677	\$51,335,824
High Technology	\$841,721	\$1,723,072	\$2,668,840	\$3,678,422	\$4,745,916	\$5,873,989	\$7,047,827
Legal Services	\$1,730,050	\$3,541,555	\$5,485,462	\$7,560,530	\$9,754,628	\$12,073,238	\$14,485,914
Advertising	\$477,259	\$976,988	\$1,513,243	\$2,085,680	\$2,690,953	\$3,330,575	\$3,996,146
Publishing	\$392,839	\$804,174	\$1,245,573	\$1,716,754	\$2,214,964	\$2,741,446	\$3,289,288
Broadcasting	\$639,844	\$1,309,813	\$2,028,750	\$2,796,195	\$3,607,663	\$4,465,180	\$5,335,487
Restaurant	\$936,357	\$1,916,800	\$2,968,904	\$4,091,995	\$5,279,510	\$6,534,414	\$7,840,230
Transportation	\$1,759,005	\$3,600,827	\$5,577,269	\$7,687,065	\$9,917,885	\$12,725,300	\$15,728,355
Total	\$19,162,163	\$39,226,519	\$60,757,384	\$83,740,981	\$108,042,972	\$133,724,073	\$160,447,046

Salaries and % Spending by Industry

Financial Services	% All Industries	% Industry	Average Salary	Expenditures - Total		Expenditures - Local	
				%	\$	%	\$
Securities and Brokerage	14.5%	39.2%	\$283,870	68%	\$179,778	31%	\$82,591
Insurance	13.1%	35.3%	\$111,554	68%	\$76,003	31%	\$34,916
Commercial Banking	7.3%	19.7%	\$126,841	68%	\$86,418	31%	\$39,701
Investment Banking	2.0%	5.4%	\$263,870	68%	\$179,778	31%	\$82,591
Real Estate	0.2%	0.5%	\$29,616	104%	\$30,687	53%	\$15,618
Financial services total	37.0%	100.0%	\$182,013	68%	\$124,055	31%	\$56,998
High Tech and Telecom							
Telecom	8.4%	56.3%	\$91,129	68%	\$62,087	31%	\$28,523
High Technology	6.6%	43.7%	\$80,039	68%	\$54,532	31%	\$25,082
HT/Telecom total	15.0%	100.0%	\$86,281	68%	\$58,785	31%	\$27,006
Business Services							
Business Services	2.4%	18.5%	\$89,267	68%	\$60,819	31%	\$27,940
Legal Services	10.6%	81.5%	\$101,779	68%	\$69,343	31%	\$31,857
Services Total	13.0%	100.0%	\$99,467	68%	\$67,768	31%	\$31,133
Media							
Advertising	3.3%	33.3%	\$89,267	68%	\$60,819	31%	\$27,940
Publishing	3.3%	33.3%	\$73,477	68%	\$50,061	31%	\$22,998
Broadcasting	3.3%	33.3%	\$119,677	68%	\$81,538	31%	\$37,459
Services Total	10.0%	100.0%	\$94,140	68%	\$64,139	31%	\$29,466
Other							
Transportation	16.3%	65.3%	\$49,913	88%	\$43,871	42%	\$21,040
Restaurants	8.7%	34.7%	\$49,913	88%	\$43,871	42%	\$21,040
Other Total	25.0%	100.0%	\$49,913	88%	\$43,871	42%	\$21,040
Average All Industries	100.0%		\$115,109.99	68%	\$78,426	31%	\$36,029

Lower Manhattan Expenditures from New Residents By Type (Retail Expenditures)

Base Case

Spend Category	2005	2006	2007	2008	2009	2010	2011	
Real Estate - 462	\$15,777,227	\$32,648,166	\$51,039,031	\$70,992,833	\$92,473,515	\$115,579,282	\$140,141,768	41%
Misc. Retail - 455	\$10,433,473	\$21,590,217	\$33,752,088	\$46,947,528	\$61,162,693	\$76,432,527	\$92,675,687	27%
Food Stores - 450	\$4,221,841	\$8,735,835	\$13,656,928	\$18,998,129	\$24,743,890	\$30,926,488	\$37,498,871	11%
Electric Services - 443	\$2,538,095	\$5,252,137	\$8,210,690	\$11,420,674	\$14,876,289	\$18,593,333	\$22,544,719	7%
Medical and Health - 493	\$2,151,030	\$4,451,174	\$6,958,542	\$9,678,996	\$12,607,622	\$15,757,808	\$19,106,600	6%
Schools - 495	\$1,561,413	\$3,231,067	\$5,051,143	\$7,025,896	\$9,151,759	\$11,438,451	\$13,869,308	4%
Amusements & Rec - 488	\$1,514,439	\$3,133,863	\$4,899,183	\$6,814,527	\$8,876,435	\$11,094,334	\$13,452,061	4%
Total	\$38,197,318	\$79,042,560	\$123,567,604	\$171,876,585	\$223,882,204	\$279,822,222	\$339,289,014	

Optimistic Case

Spend Category	2005	2006	2007	2008	2009	2010	2011	
Real Estate - 462	\$31,417,285	\$66,361,904	\$105,709,635	\$149,834,907	\$199,032,009	\$253,821,310	\$314,382,694	41%
Misc. Retail - 455	\$20,776,237	\$43,885,097	\$69,905,733	\$99,085,756	\$131,619,777	\$167,851,916	\$207,901,132	27%
Food Stores - 450	\$8,406,578	\$17,756,994	\$28,285,586	\$40,092,544	\$53,256,612	\$67,917,030	\$84,121,932	11%
Electric Services - 443	\$5,054,124	\$10,675,693	\$17,005,594	\$24,104,063	\$32,018,440	\$40,832,439	\$50,574,998	7%
Medical and Health - 493	\$4,283,359	\$9,047,626	\$14,412,203	\$20,428,140	\$27,135,557	\$34,605,402	\$42,862,198	6%
Schools - 495	\$3,109,252	\$6,567,590	\$10,461,689	\$14,828,602	\$19,697,456	\$25,119,749	\$31,113,283	4%
Amusements & Rec - 488	\$3,015,712	\$6,370,009	\$10,146,957	\$14,382,495	\$19,104,873	\$24,364,041	\$30,177,264	4%
Total	\$76,062,547	\$160,664,913	\$255,927,397	\$362,756,506	\$481,864,724	\$614,511,887	\$761,133,501	

Pessimistic Case

Spend Category	2005	2006	2007	2008	2009	2010	2011	
Real Estate - 462	\$7,914,843	\$16,202,333	\$25,095,558	\$34,588,827	\$44,626,653	\$55,234,114	\$66,271,915	41%
Misc. Retail - 455	\$5,234,082	\$10,714,596	\$16,595,681	\$22,873,576	\$29,511,585	\$36,526,294	\$43,825,587	27%
Food Stores - 450	\$2,117,839	\$4,335,390	\$6,715,022	\$9,255,214	\$11,941,116	\$14,779,441	\$17,732,915	11%
Electric Services - 443	\$1,273,267	\$2,606,482	\$4,037,143	\$5,564,333	\$7,179,126	\$8,885,557	\$10,661,216	7%
Medical and Health - 493	\$1,079,091	\$2,208,988	\$3,421,469	\$4,715,760	\$6,084,293	\$7,530,489	\$9,035,357	6%
Schools - 495	\$783,303	\$1,603,485	\$2,483,614	\$3,423,127	\$4,416,534	\$5,466,314	\$6,558,684	4%
Amusements & Rec - 488	\$759,737	\$1,555,245	\$2,408,896	\$3,320,145	\$4,283,665	\$5,301,864	\$6,361,371	4%
Total	\$19,162,163	\$39,226,519	\$60,757,384	\$83,740,981	\$108,042,972	\$133,724,073	\$160,447,046	

Lower Manhattan Expenditures from New Residents By Type (Producer Expenditures)

Producer Price as a % of Retail Price

Real Estate - 462	100.0%
Misc. Retail - 455	68.0%
Food Stores - 450	70.0%
Electric Services - 443	100.0%
Medical and Health - 493	100.0%
Schools - 495	100.0%
Amusements & Rec - 488	100.0%

Base Case

Spend Category	2005	2006	2007	2008	2009	2010	2011	
Real Estate - 462	\$15,777,227	\$32,648,166	\$51,039,031	\$70,992,833	\$92,473,515	\$115,579,282	\$140,141,768	41%
Misc. Retail - 455	\$7,094,761	\$14,681,348	\$22,951,420	\$31,924,319	\$41,583,831	\$51,974,118	\$63,019,467	19%
Food Stores - 450	\$2,955,148	\$6,115,155	\$9,559,850	\$13,297,290	\$17,320,723	\$21,648,541	\$26,249,210	8%
Electric Services - 443	\$2,538,095	\$5,252,137	\$8,210,690	\$11,420,674	\$14,876,289	\$18,593,333	\$22,544,719	7%
Medical and Health - 493	\$2,151,030	\$4,451,174	\$6,958,542	\$9,678,996	\$12,607,622	\$15,757,808	\$19,106,600	6%
Schools - 495	\$1,561,413	\$3,231,067	\$5,051,143	\$7,025,896	\$9,151,759	\$11,438,451	\$13,869,308	4%
Amusements & Rec - 488	\$1,514,439	\$3,133,863	\$4,899,183	\$6,814,527	\$8,876,435	\$11,094,334	\$13,452,061	4%
Total	\$33,592,114	\$69,512,910	\$108,669,857	\$151,154,537	\$196,890,175	\$246,085,667	\$298,383,133	

Optimistic Case

EDSSR 000645

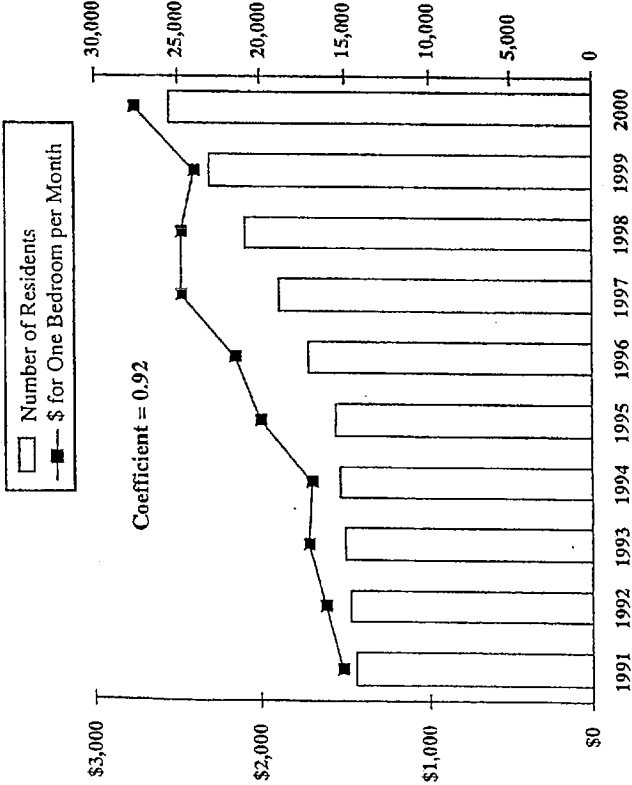
<u>Spend Category</u>									
Real Estate - 462	\$31,417,286	\$66,361,904	\$105,709,635	\$149,834,907	\$199,032,009	\$253,821,310	\$314,382,694	41%	
Misc. Retail - 455	\$14,127,841	\$29,841,866	\$47,535,899	\$67,378,314	\$89,501,448	\$114,139,303	\$141,372,770	19%	
Food Stores - 450	\$5,884,605	\$12,429,896	\$19,799,910	\$28,064,780	\$37,279,628	\$47,541,921	\$58,885,352	8%	
Electric Services - 443	\$5,054,124	\$10,675,693	\$17,005,594	\$24,104,063	\$32,018,440	\$40,832,439	\$50,574,998	7%	
Medical and Health - 493	\$4,283,359	\$9,047,626	\$14,412,203	\$20,428,140	\$27,135,557	\$34,605,402	\$42,862,198	6%	
Schools - 495	\$3,109,252	\$6,567,590	\$10,461,689	\$14,828,602	\$19,697,456	\$25,119,749	\$31,113,283	4%	
Amusements & Rec - 488	\$3,015,712	\$6,370,009	\$10,146,957	\$14,382,495	\$19,104,873	\$24,364,041	\$30,177,264	4%	
Total	\$66,892,178	\$141,294,584	\$225,071,887	\$319,021,301	\$423,769,412	\$540,424,165	\$669,368,560		
<u>Pessimistic Case</u>									
<u>Spend Category</u>									
Real Estate - 462	\$7,914,843	\$16,202,333	\$25,095,558	\$34,588,827	\$44,626,653	\$55,234,114	\$66,271,915	41%	
Misc. Retail - 455	\$3,559,176	\$7,285,925	\$11,285,063	\$15,554,032	\$20,067,878	\$24,837,880	\$29,801,399	19%	
Food Stores - 450	\$1,482,487	\$3,034,773	\$4,700,516	\$6,478,650	\$8,358,781	\$10,345,608	\$12,413,040	8%	
Electric Services - 443	\$1,273,267	\$2,606,482	\$4,037,143	\$5,564,333	\$7,179,126	\$8,885,557	\$10,661,216	7%	
Medical and Health - 493	\$1,079,091	\$2,208,988	\$3,421,469	\$4,715,760	\$6,084,293	\$7,530,489	\$9,035,357	6%	
Schools - 495	\$783,303	\$1,603,485	\$2,483,614	\$3,423,127	\$4,416,534	\$5,466,314	\$6,558,684	4%	
Amusements & Rec - 488	\$759,737	\$1,555,245	\$2,408,896	\$3,320,145	\$4,283,865	\$5,301,864	\$6,361,371	4%	
Total	\$16,851,905	\$34,497,231	\$53,432,259	\$73,644,873	\$95,016,930	\$117,601,827	\$141,102,984		

Chart Data

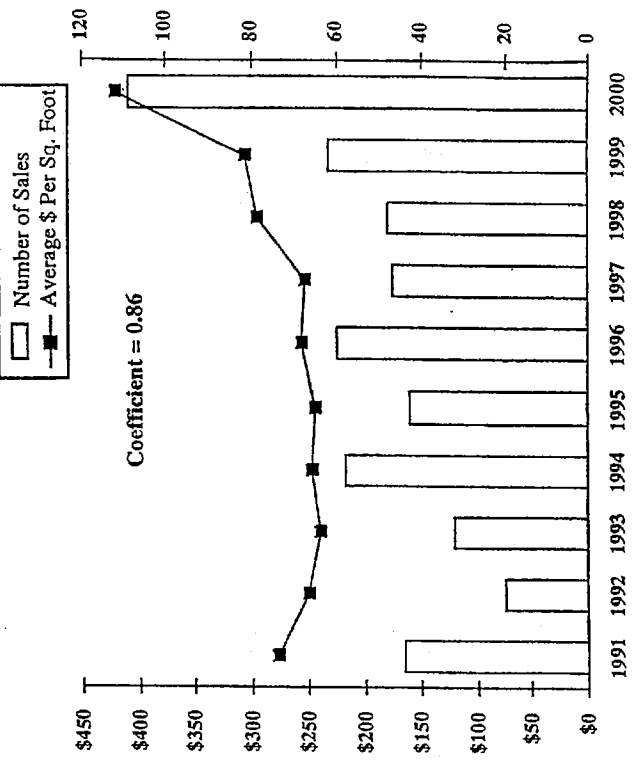
Incremental Resident Spending	2005	2006	2007	2008	2009	2010	2011
Base Case	\$38,197,318	\$79,042,560	\$123,567,604	\$171,876,585	\$223,882,204	\$279,822,222	\$339,289,014
Optimistic Case	\$76,062,547	\$160,864,913	\$255,927,397	\$362,756,506	\$481,864,724	\$614,511,887	\$761,133,501
Pessimistic Case	\$19,162,163	\$39,226,519	\$60,757,384	\$83,740,981	\$108,042,972	\$133,724,073	\$160,447,046

In addition, rebuilding the WTC could provide the impetus for improving rental rates over and above the depressed levels experienced post September 11

Historical Demand for Rental Space and Prices Per Room (1995-2000)⁽¹⁾

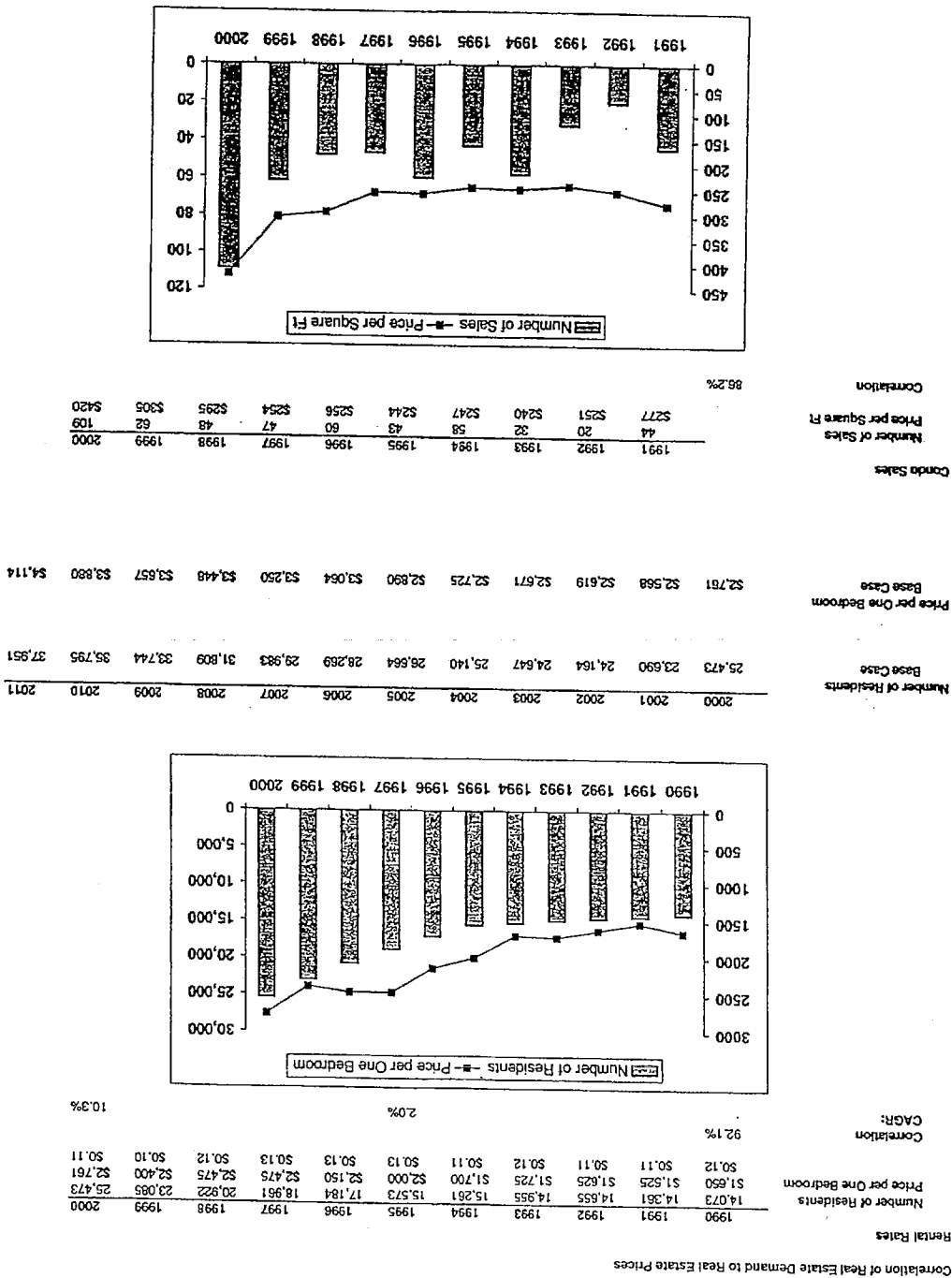


Historical New Sales and Prices Per Sq. Foot (1995-2000)⁽²⁾



Note: (1) Rental prices reflect average rates for one bedroom, doorman, non-rent stabilized buildings below 23rd Street. Number of residents between 1991 and 1995 and 1995 and 2000 are estimated based on compound annual growth rates between these periods
(2) Reflects data for Battery Park City only

Source: Alliance for Downtown; Feathered Nest Midyear 2001 Rental Report; Douglas Elliman Manhattan Market Report 1991 - 2000
A.T. Kearney 17/19329-cj 43

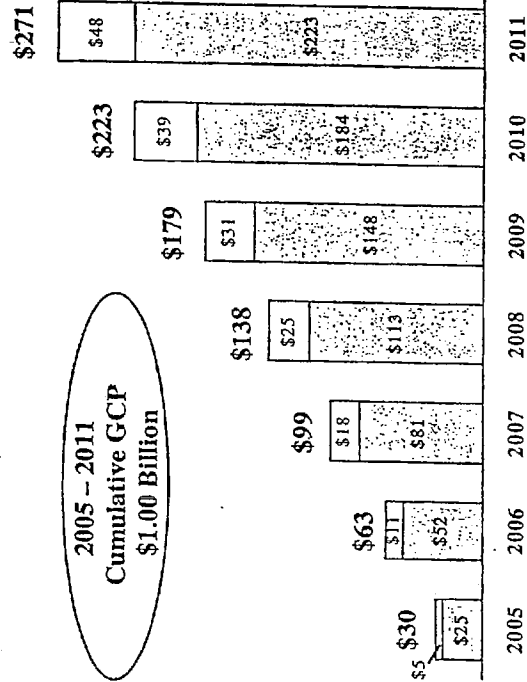


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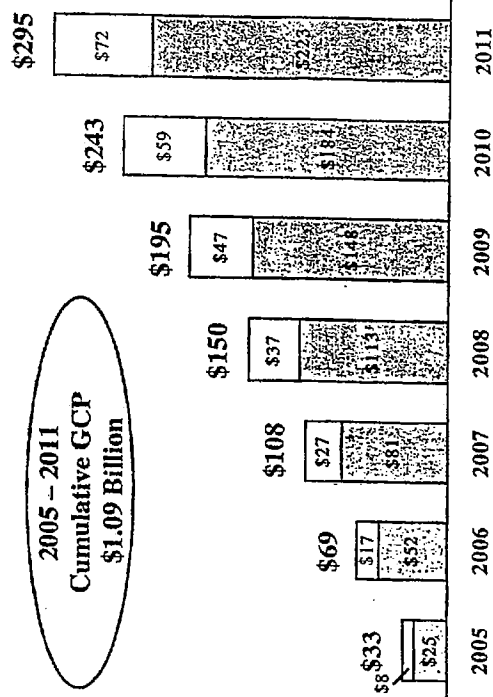
As a result, with its 24-hour needs and supporting infrastructure, the Downtown residential community would continue to be a source of much of the buoyancy and vitality of Lower Manhattan. Rebuilding the WTC is likely to contribute approximately \$1.0 billion to Downtown and an incremental \$1.1 billion to the City by 2011 from the new residents attracted to the Downtown area

	Indirect
	Direct

**Annual Incremental Annual GCP For Downtown
From New Resident Spending
2005E-2011E, (\$Millions)**



**Annual Incremental Annual GCP For New
York City From New Resident Spending
2005E-2011E, (\$Millions)**



Notes: (1) Assumes 2001 Downtown residents of 24K (post September 11th attacks)

(2) Assumes future percentage breakdown of Downtown residents by industry to be the same as historical breakdown: Financial 37%, High Tech/Telecom 15%, Business Services 13%, Media 10%, Other 25%

(3) Projects approximately 9K Incremental increase in residents driven by new office employees living Downtown and residential growth starting in 2005. The growth rates assumed from 2005 to 2011 is Base case (6%), Basis for annual growth scenario utilized historical high & slow growth periods. Slow 2% (1990-95), high 10% (1995-2000)

Source: IMPLAN, Alliance for Downtown - "Downtown NY: A Community Comes of Age"; NYCP - Harris Interactive Survey; A.T. Kearney analysis
A.T. Kearney 17/19329-cj 44

EDSSR 000649

INDIRECT IMPACT

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Infrastructure	NYC-Direct	229	216	177							
	NYC-Indirect	76.6	71.4	57.8							
	NYC-Induced	65.8	61.7	50.3							
	Downtown-Direct	229	216	177							
	Downtown-Indirect	8	7	6							
Construction	NYC-Direct		19.5	122	192.5	227.3	217.6	190.8	65.5		
	NYC-Indirect		25	156	247	291	279	244	84		
	NYC-Induced		9	57	91	107	102	90	31		
	Downtown-Direct		19.5	122	192.5	227.3	217.6	190.8	65.5		
	Downtown-Indirect		0.63	3.99	6.37	7.49	7.14	6.3	2.17		
Office	NYC-Direct				1,878.2	2,504.2	4,591.1	7,721.5	10,851.8	13,982.1	15,025.6
	NYC-Indirect				784.7	1,046.3	1,918.2	3,226.2	4,534.1	5,842.0	6,278.0
	Downtown-Direct				1,878.2	2,504.2	4,591.1	7,721.5	10,851.8	13,982.1	15,025.6
	Downtown-Indirect				131.04	174.73	320.34	538.78	757.19	975.61	1,048.43
Residential	NYC-Direct				25.1	52	81.3	113.1	147.6	184.2	223.4
	NYC-Indirect				4.5	9.3	14.6	20.4	26.6	33.2	40.3
	NYC-Induced				3.5	7.3	11.4	15.9	20.8	25.9	31.4
	Downtown-Direct				25.1	52	81.3	113.1	147.6	184.2	223.4
Tourism	Downtown-Indirect				5.3	11.1	17.3	24.2	31.6	39.4	47.8
	NYC-Direct				50	91	134.3	180.1	228.5	279.6	333.5
	NYC-Indirect				11.3	20.6	30.3	40.7	51.6	63.2	75.4
	NYC-Induced				10.4	19	28	37.6	47.7	58.4	69.7
Retail Mall	Downtown-Direct				50	91	134.3	180.1	228.5	279.6	333.5
	Downtown-Indirect				3.6	6.6	9.7	13.1	16.6	20.3	24.2
	NYC-Direct							12	28.9	45.8	67.6
	NYC-Indirect+Induced							3.8	9.1	14.5	21.3
	Downtown-Direct							12	28.9	45.8	67.6
	Downtown-Indirect							0.6	1.5	2.4	3.6

Downtown Conversion Table (From NYC Numbers)

How to use this table: multiply and number for NYC by percentages in this table to arrive with Downtown numbers

	Direct	Indirect	Comments
Construction	100%	7.0% of induced	44% of induced is related to direct (times 16.7%)
Infrastructure	100%	12.0% of induced	75% of induced is related to direct (times 16.7%)
Office	100%	16.7% of induced	
Retail Mall	100%	16.7% of indirect and induced	
Retail Downtown	100%	16.7% of retail, office and tourism indirect and induced 66.7% of residential indirect and induced 7.0% of construction induced 12.0% of infrastructure induced	
Residential	100%	66.7% of indirect and induced	
Tourism	100%	16.7% of indirect and induced	
Community Business		20.0% of construction indirect and induced 40.0% of office indirect and induced 40.0% of retail indirect and induced 40.0% of tourism indirect and induced 20.0% of infrastructure indirect and induced 75.0% of residential indirect and induced	

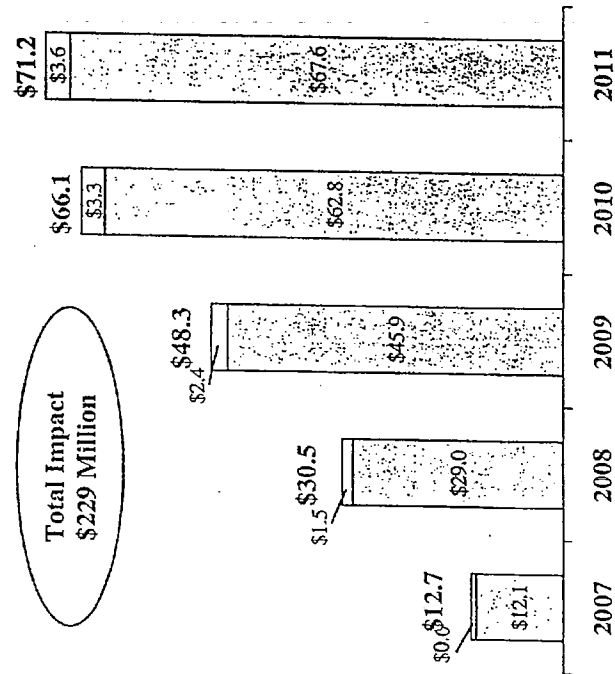
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Impact of Rebuilding on Retail Businesses

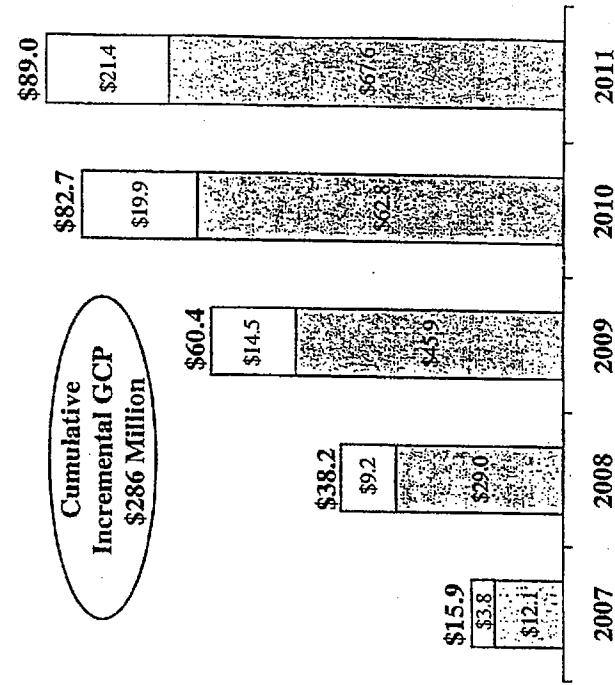
On its own, the WTC retail mall should contribute approximately \$229 million to Downtown and \$286 million to New York's GCP between 2007 and 2011

	Indirect
	Direct

Annual Incremental GCP Impact Of Rebuilding The WTC Mall on Downtown 2007E-2011E^{(1) (2)}, (\$Million)



Annual Incremental GCP Impact Of Rebuilding The WTC Mall on New York City's GCP 2007E-2011E^{(1) (2)}, (\$Million)



Note: (1) Retail positions are assumed to be permanent after build-out completion of retail stores
(2) Assumes two shifts with 5 employees per shift in each store of the rebuilt WTC mall

Sources: IMPLAN model; U.S. Census Bureau; Bovis Lend Lease; Factset; NYCP Retail Sector Report; Alliance for Downtown New York; Interviews; A.T. Kearney 17/19329-cj 46

EXHIBIT 25 (Part 3 of 3)

INDIRECT IMPACT

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Infrastructure	NYC-Direct	229	216	177							
	NYC-Indirect	76.6	71.4	57.8							
	NYC-Induced	65.8	61.7	50.3							
	Downtown-Direct	229	216	177							
	Downtown-Indirect	8	7	6							
Construction	NYC-Direct		19.5	122	192.5	227.3	217.6	190.8	65.5		
	NYC-Indirect		25	156	247	291	279	244	84		
	NYC-Induced		9	57	91	107	102	90	31		
	Downtown-Direct		19.5	122	192.5	227.3	217.6	190.8	65.5		
	Downtown-Indirect		0.63	3.99	6.37	7.49	7.14	6.3	2.17		
Office	NYC-Direct				1,878.2	2,504.2	4,591.1	7,721.5	10,851.8	13,982.1	15,025.6
	NYC-Indirect				784.7	1,046.3	1,918.2	3,226.2	4,534.1	5,842.0	6,278.0
	Downtown-Direct				1,878.2	2,504.2	4,591.1	7,721.5	10,851.8	13,982.1	15,025.6
	Downtown-Indirect				131.04	174.73	320.34	538.78	757.19	975.61	1,048.43
					25.1	52	81.3	113.1	147.6	184.2	223.4
Residential	NYC-Direct				4.5	9.3	14.6	20.4	26.6	33.2	40.3
	NYC-Indirect				3.5	7.3	11.4	15.9	20.8	25.9	31.4
	Downtown-Direct				25.1	52	81.3	113.1	147.6	184.2	223.4
	Downtown-Indirect				5.3	11.1	17.3	24.2	31.6	39.4	47.8
					50	91	134.3	180.1	228.5	279.6	333.5
Tourism	NYC-Direct				11.3	20.6	30.3	40.7	51.6	63.2	75.4
	NYC-Indirect				10.4	19	28	37.6	47.7	58.4	69.7
	Downtown-Direct				50	91	134.3	180.1	228.5	279.6	333.5
	Downtown-Indirect				3.6	6.6	9.7	13.1	16.6	20.3	24.2
								12	28.9	45.8	62.7
Retail Mall	NYC-Direct										
	NYC-Indirect-Induced							3.8	9.1	14.5	19.8
	Downtown-Direct							12	28.9	45.8	62.7
	Downtown-Indirect							0.6	1.5	2.4	3.3

Downtown Conversion Table (From NYC Numbers)

How to use this table: multiply and number for NYC by percentages in this table to arrive with Downtown numbers

	Direct	Indirect	Comments
Construction	100%	7.0% of induced	44% of induced is related to direct (times 16.7%)
Infrastructure	100%	12.0% of induced	75% of induced is related to direct (times 16.7%)
Office	100%	16.7% of induced	
Retail Mall	100%	16.7% of indirect and induced	
Retail Downtown	100%	16.7% of retail, office and tourism Indirect and Induced	
		66.7% of residential indirect and induced	
		7.0% of construction induced	
		12.0% of infrastructure induced	
Residential	100%	66.7% of indirect and induced	
Tourism	100%	16.7% of indirect and induced	
Community Business		20.0% of construction indirect and induced	
		40.0% of office indirect and induced	
		40.0% of retail indirect and induced	
		40.0% of tourism indirect and induced	
		20.0% of infrastructure indirect and induced	
		75.0% of residential indirect and induced	

Base	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Direct WTC Retail Mall Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.1	\$ 29.0	\$ 45.9	\$ 62.8	\$ 67.6
WTC Retail Mall Total Flow Through	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.8	\$ 9.2	\$ 14.5	\$ 19.9	\$ 21.4
Construction Flow Through	\$ -	\$ 2.4	\$ 15.0	\$ 23.6	\$ 27.9	\$ 26.7	\$ 23.4	\$ 8.0	\$ -	\$ -
Office Tenants Flow Through	\$ -	\$ -	\$ -	\$ 3.8	\$ 5.1	\$ 9.3	\$ 15.6	\$ 22.0	\$ 28.3	\$ 30.4
Tourism Flow Through	\$ -	\$ -	\$ -	\$ 1.2	\$ 2.2	\$ 3.2	\$ 4.3	\$ 5.5	\$ 6.7	\$ 8.0
Infrastructure Flow Through	\$ 9.0	\$ 8.3	\$ 6.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Flow Through	\$ -	\$ -	\$ -	\$ 0.4	\$ 0.8	\$ 1.3	\$ 1.8	\$ 2.4	\$ 3.0	\$ 3.6
Total	\$ 9.0	\$ 10.7	\$ 21.6	\$ 29.0	\$ 36.0	\$ 56.4	\$ 83.3	\$ 98.2	\$ 120.6	\$ 131.0

Base	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Direct WTC Retail Mall Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.1	\$ 29.0	\$ 45.9	\$ 62.8	\$ 67.6
WTC Retail Mall Total Flow Through	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.2	\$ 0.6	\$ 0.9	\$ 1.3	\$ 1.4
Construction Flow Through	\$ -	\$ 2.4	\$ 15.0	\$ 23.6	\$ 27.9	\$ 26.7	\$ 23.4	\$ 8.0	\$ -	\$ -
Office Tenants Flow Through	\$ -	\$ -	\$ -	\$ 3.8	\$ 5.1	\$ 9.3	\$ 15.6	\$ 22.0	\$ 28.3	\$ 30.4
Tourism Flow Through	\$ -	\$ -	\$ -	\$ 1.2	\$ 2.2	\$ 3.2	\$ 4.3	\$ 5.5	\$ 6.7	\$ 8.0
Infrastructure Flow Through	\$ 9.0	\$ 8.3	\$ 6.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Flow Through	\$ -	\$ -	\$ -	\$ 0.4	\$ 0.8	\$ 1.3	\$ 1.8	\$ 2.4	\$ 3.0	\$ 3.6
Total	\$ 9.0	\$ 10.7	\$ 21.6	\$ 29.0	\$ 36.0	\$ 52.8	\$ 74.7	\$ 84.7	\$ 102.0	\$ 111.0

Direct WTC Retail Mall Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.1	\$ 29.0	\$ 45.9	\$ 62.8	\$ 67.6
Total Downtown Flow Through	\$ 9.0	\$ 10.7	\$ 21.6	\$ 29.0	\$ 36.0	\$ 44.3	\$ 54.3	\$ 52.4	\$ 57.8	\$ 63.4
Total	\$ 9.0	\$ 10.7	\$ 21.6	\$ 29.0	\$ 36.0	\$ 56.4	\$ 83.3	\$ 98.2	\$ 120.6	\$ 131.0

\$1,000,000

Direct WTC Retail Mall Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.1	\$ 29.0	\$ 45.9	\$ 62.8	\$ 67.6
Downtown Retail	\$ 9.0	\$ 10.7	\$ 21.6	\$ 29.0	\$ 36.0	\$ 40.8	\$ 45.8	\$ 38.8	\$ 39.3	\$ 43.4
Total	\$ 9.0	\$ 10.7	\$ 21.6	\$ 29.0	\$ 36.0	\$ 52.8	\$ 74.7	\$ 84.7	\$ 102.0	\$ 111.0

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Retail	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Direct WTC Retail Mall Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.06	\$ 28.96	\$ 45.86	\$ 62.77	\$ 67.61
WTC Retail Mall Retail Flow Through	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.04	\$ 0.10	\$ 0.15	\$ 0.21	\$ 0.23
Construction Flow Through	\$ -	\$ 0.05	\$ 0.30	\$ 0.47	\$ 0.55	\$ 0.53	\$ 0.46	\$ 0.16	\$ -	\$ -
Office Tenants Flow Through	\$ -	\$ -	\$ -	\$ 0.63	\$ 0.84	\$ 1.55	\$ 2.60	\$ 3.66	\$ 4.72	\$ 5.07
Tourism Flow Through	\$ -	\$ -	\$ -	\$ 0.20	\$ 0.36	\$ 0.54	\$ 0.72	\$ 0.91	\$ 1.12	\$ 1.33
Infrastructure Flow Through	\$ 0.52	\$ 0.48	\$ 0.38	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Flow Through	\$ -	\$ -	\$ -	\$ 0.27	\$ 0.56	\$ 0.88	\$ 1.22	\$ 1.60	\$ 1.99	\$ 2.42
Total	\$ 0.52	\$ 0.53	\$ 0.68	\$ 1.57	\$ 2.32	\$ 15.59	\$ 34.07	\$ 52.35	\$ 70.80	\$ 76.66

EDSSR 000656

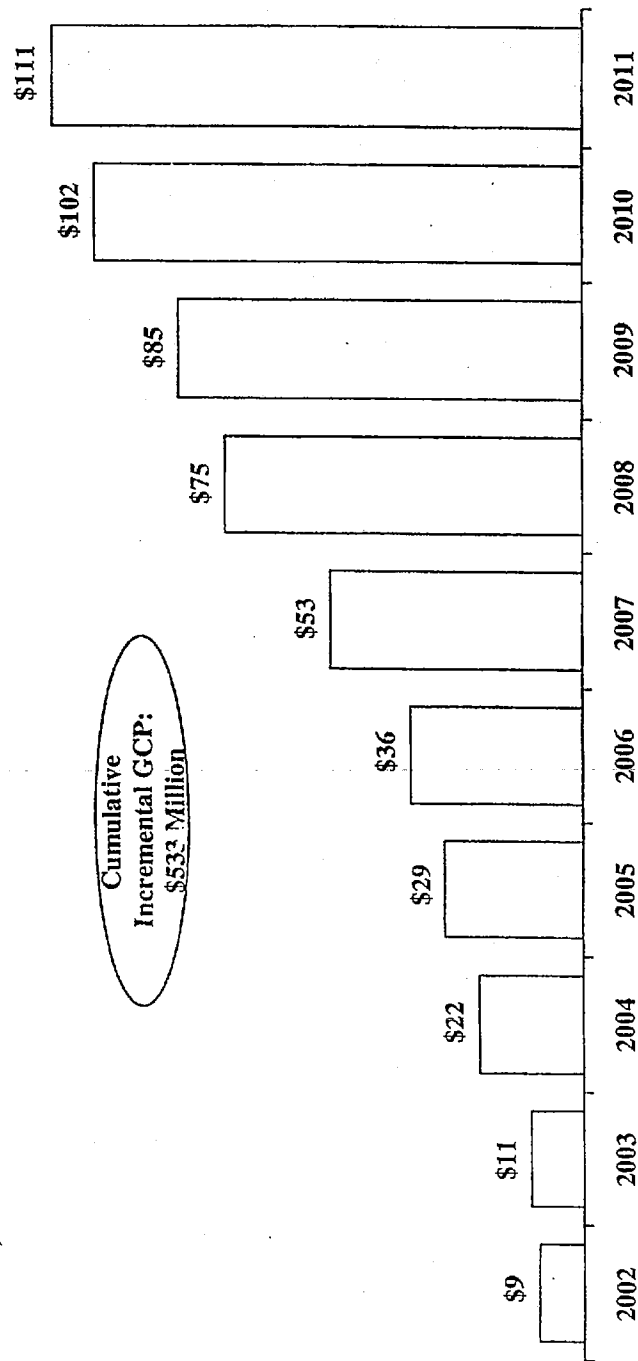
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Overall for NYC, the rebuilding would contribute approximately \$530 million to New York's GCP between 2002 and 2011 through retail activity throughout the city

Incremental Annual GCP Impact on Retail⁽¹⁾ on New York's GCP - Due to Rebuilding The WTC

2002E-2011F(2), (3)

(\$Millions)



Notes:

- (1) Includes all retail establishments in New York City and the WTC retail mall
- (2) Retail positions are assumed to be permanent after build-out completion of retail stores
- (3) Assumes two shifts with 5 employees per shift in each store of the rebuilt WTC mall

Sources:

(5) Assumes two units with 2 employees per unit in each category of 100 men.
IMPLAN model; U.S. Census Bureau; Bovis Lend Lease; Factset; NYCP Retail Sector Report; Alliance for Downtown New York; Interviews;

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Base	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Direct WTC Retail Mall Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.1	\$ 29.0	\$ 45.9	\$ 62.8	\$ 67.6
WTC Retail Mall Total Flow Through	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.8	\$ 9.2	\$ 14.5	\$ 19.9	\$ 21.4
Construction Flow Through	\$ -	\$ 2.4	\$ 15.0	\$ 23.6	\$ 27.9	\$ 26.7	\$ 23.4	\$ 8.0	\$ -	\$ -
Office Tenants Flow Through	\$ -	\$ -	\$ -	\$ 3.8	\$ 5.1	\$ 9.3	\$ 15.6	\$ 22.0	\$ 28.3	\$ 30.4
Tourism Flow Through	\$ -	\$ -	\$ -	\$ 1.2	\$ 2.2	\$ 3.2	\$ 4.3	\$ 5.5	\$ 6.7	\$ 8.0
Infrastructure Flow Through	\$ 9.0	\$ 8.3	\$ 6.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Flow Through	\$ -	\$ -	\$ -	\$ 0.4	\$ 0.8	\$ 1.3	\$ 1.8	\$ 2.4	\$ 3.0	\$ 3.6
Total	\$ 9.0	\$ 10.7	\$ 21.6	\$ 29.0	\$ 36.0	\$ 56.4	\$ 83.3	\$ 98.2	\$ 120.6	\$ 131.0

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Direct WTC Retail Mall Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.1	\$ 29.0	\$ 45.9	\$ 62.8	\$ 67.6
WTC Retail Mall Retail Flow Through	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.2	\$ 0.6	\$ 0.9	\$ 1.3	\$ 1.4
Construction Flow Through	\$ -	\$ 2.4	\$ 15.0	\$ 23.6	\$ 27.9	\$ 26.7	\$ 23.4	\$ 8.0	\$ -	\$ -
Office Tenants Flow Through	\$ -	\$ -	\$ -	\$ 3.8	\$ 5.1	\$ 9.3	\$ 15.6	\$ 22.0	\$ 28.3	\$ 30.4
Tourism Flow Through	\$ -	\$ -	\$ -	\$ 1.2	\$ 2.2	\$ 3.2	\$ 4.3	\$ 5.5	\$ 6.7	\$ 8.0
Infrastructure Flow Through	\$ 9.0	\$ 8.3	\$ 6.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Flow Through	\$ -	\$ -	\$ -	\$ 0.4	\$ 0.8	\$ 1.3	\$ 1.8	\$ 2.4	\$ 3.0	\$ 3.6
Total	\$ 9.0	\$ 10.7	\$ 21.6	\$ 29.0	\$ 36.0	\$ 52.8	\$ 74.7	\$ 84.7	\$ 102.0	\$ 111.0

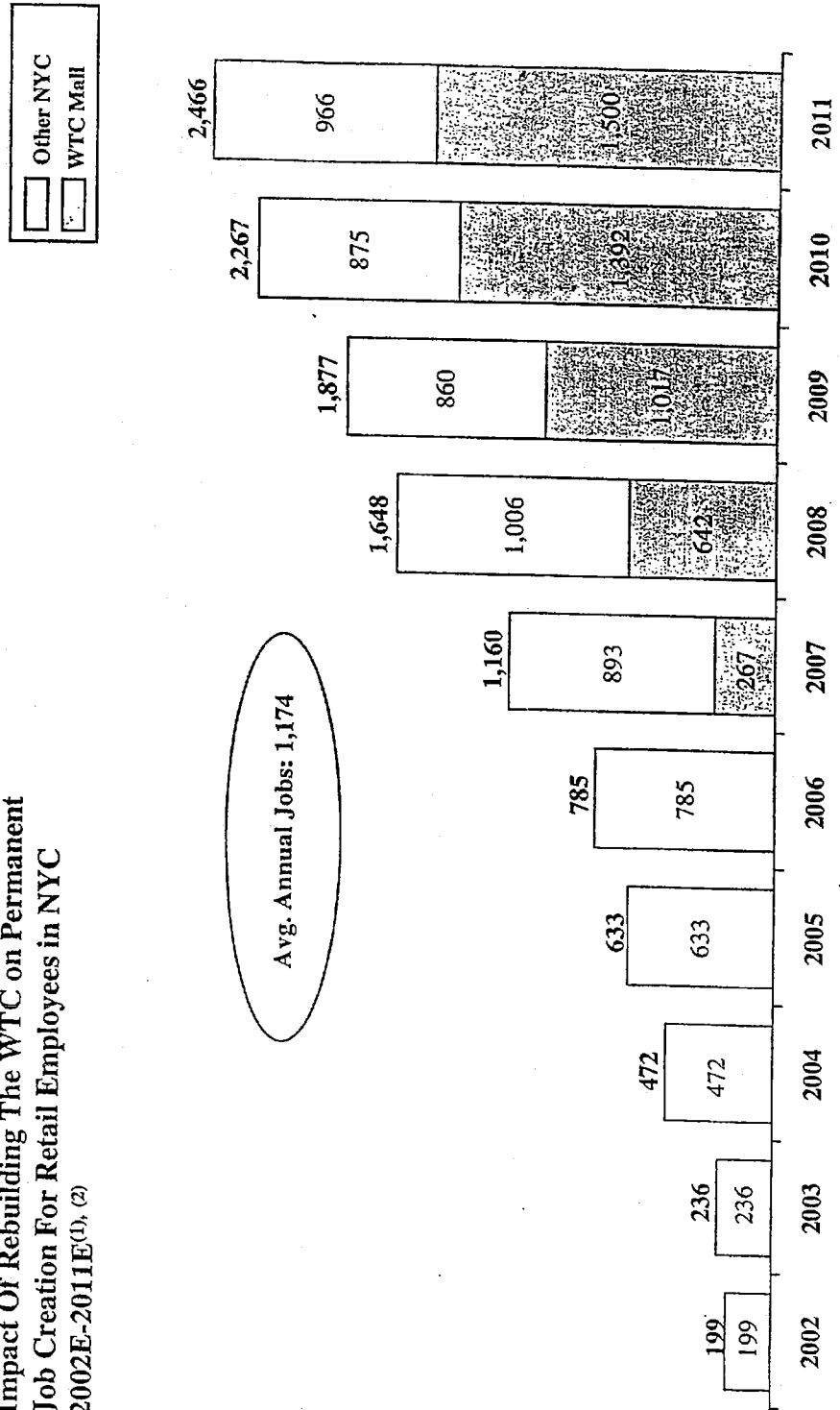
Direct WTC Retail Mall Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.1	\$ 29.0	\$ 45.9	\$ 62.8	\$ 67.6
Total Downtown Flow Through	\$ 9.0	\$ 10.7	\$ 21.6	\$ 29.0	\$ 36.0	\$ 44.3	\$ 54.3	\$ 52.4	\$ 57.8	\$ 63.4
Total	\$ 9.0	\$ 10.7	\$ 21.6	\$ 29.0	\$ 36.0	\$ 56.4	\$ 83.3	\$ 98.2	\$ 120.6	\$ 131.0

\$1,000,000

Direct WTC Retail Mall Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.1	\$ 29.0	\$ 45.9	\$ 62.8	\$ 67.6
Downtown Retail	\$ 9.0	\$ 10.7	\$ 21.6	\$ 29.0	\$ 36.0	\$ 40.8	\$ 45.8	\$ 38.8	\$ 39.3	\$ 43.4
Total	\$ 9.0	\$ 10.7	\$ 21.6	\$ 29.0	\$ 36.0	\$ 52.8	\$ 74.7	\$ 84.7	\$ 102.0	\$ 111.0

The new WTC Mall and the impact on other Downtown retail establishments would have a similar effect on employment, generating close to 2,500 direct and indirect retail jobs in NYC by 2011

**Impact Of Rebuilding The WTC on Permanent
Job Creation For Retail Employees in NYC
2002E-2011E⁽¹⁾, (2)**



Notes: (1) Retail positions are assumed to be permanent after build-out completion of retail store
(2) Assumes two shifts with 5 employees per shift in each store of the rebuilt WTC mall

Sources: IMPLAN model; U.S. Census Bureau; Bovis Lend Lease; Factset; A.T. Kearney Analysis

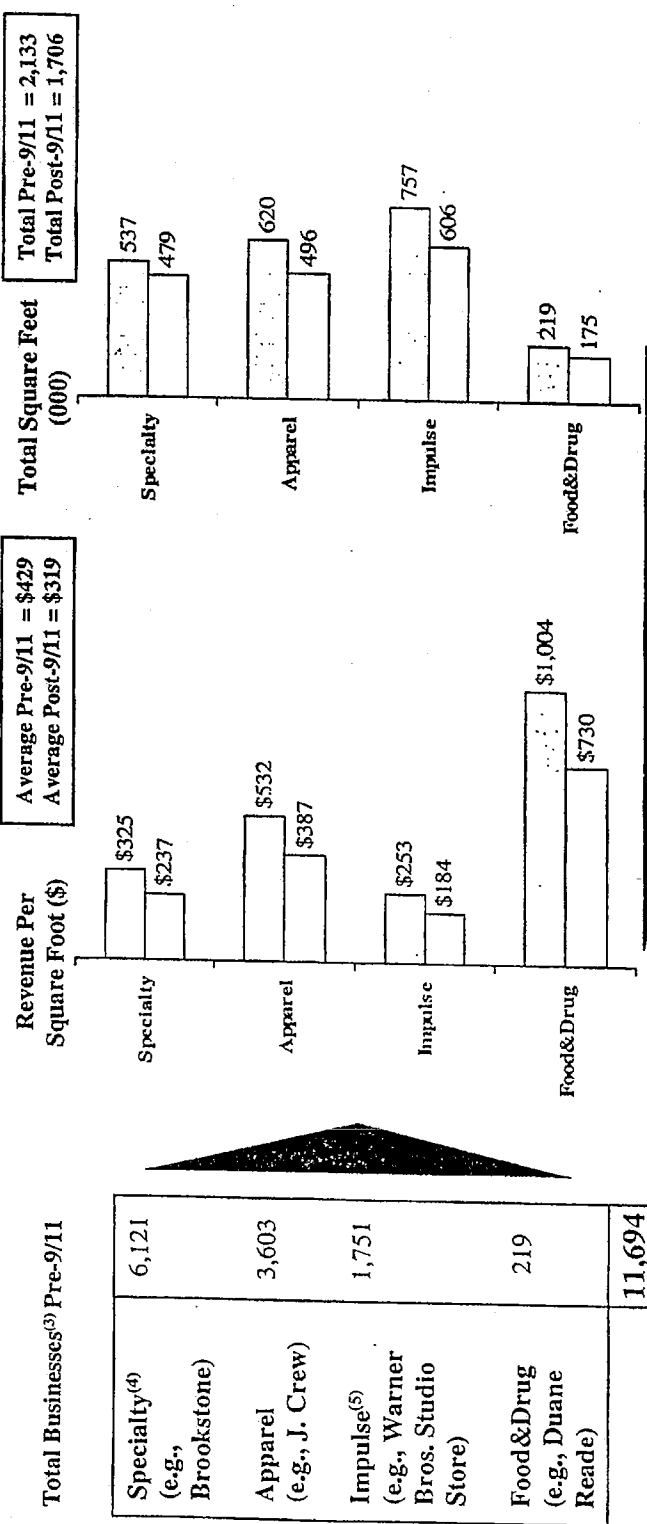
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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Direct WTC Retail Mall Impact	-	-	-	-	-	267	642	1,017	1,392	1,500
WTC Retail Mall Total Flow Through	-	-	-	-	-	49	117	185	254	273
Construction Flow Through	-	52	325	512	605	579	508	174	-	-
Office Tenants Flow Through	-	-	-	85	113	207	348	490	631	678
Tourism Flow Through	-	-	-	27	49	72	96	122	149	178
Infrastructure Flow Through	199	184	148	-	-	-	-	-	-	-
Residential Flow Through	-	-	-	9	19	29	41	54	66	81
Total	199	236	472	633	785	1,203	1,752	2,042	2,493	2,710
Direct WTC Retail Mall Impact	-	-	-	-	-	267	642	1,017	1,392	1,500
WTC Retail Mall Total Flow Through	-	-	-	-	-	5	13	20	28	30
Construction Flow Through	-	52	325	512	605	579	508	174	-	-
Office Tenants Flow Through	-	-	-	85	113	207	348	490	631	678
Tourism Flow Through	-	-	-	27	49	72	96	122	149	178
Infrastructure Flow Through	199	184	148	-	-	-	-	-	-	-
Residential Flow Through	-	-	-	9	19	29	41	54	66	81
Total	199	236	472	633	785	1,160	1,648	1,877	2,267	2,466
Direct WTC Retail Mall Impact	-	-	-	-	-	267	642	1,017	1,392	1,500
Total Downtown Flow Through	199	236	472	633	785	936	1,110	1,025	1,100	1,210
Total	199	236	472	633	785	1,203	1,752	2,042	2,493	2,710
Direct WTC Retail Mall Impact	-	-	-	-	-	267	642	1,017	1,392	1,500
Downtown Retail	199	236	472	633	785	892	1,006	860	874	966
Total	199	236	472	633	785	1,160	1,648	1,877	2,267	2,466

Without the WTC retail mall, Lower Manhattan's retail businesses would remain severely depressed, with the annual loss of retail sales due to events on September 11th approximating \$370 million

Lower Manhattan Retail Revenue Analysis – Pre vs. Post 9/11^{(1),(2)}



EDSSR 000661

Note:

- (1) Lower Manhattan retail mix is estimated to be the same as pre 9/11 WTC mix
- (2) Post 9/11 estimated by removal of WTC shops; damaged shops assumed to have returned to normal sales levels
- (3) Calculated as change in sales per square foot multiplied by the change in square foot
- (4) Includes Furniture & Home Furnishings and Miscellaneous Retail
- (5) Includes General Merchandise

Source:

Silverstein Properties; J.P. Morgan; New York City Partnership Retail sector reports; Alliance for Downtown New York; A.T. Kearney analysis
A.T. Kearney 1/19329-cj 50

Retail base for re-investigating diverse downtown community

DATA									
WTC National Retailers									
Source: World Trade Center Offsetting Memorandum/Blue Book, JP Morgan, June 21 2000									
Source: World Trade Center Offsetting Memorandum; Shvachkin Properties, J.P. Morgan									
Category (NYCP Schema)	National Retailers	1999 sales / sq ft	sq ft	Sales	WTC mall space				
Apparel	August Max Woman	\$	660	3123	\$	2,123,640			
Apparel	Banana Republic	\$	1,072	10103	\$	10,830,418	% occupied by national retailers		
Food&Drug	Bath & Body Works	\$	831	2827	\$	2,183,037			
Food&Drug	Body Shop	\$	1,033	1022	\$	1,055,728	Weighted national retailers sales		
Impulse	Borders Books & Music	\$	435	39748	\$	17,289,510	Weighted overall retailers sales		
Apparel	Casual Corner	\$	915	8193	\$	5,665,595			
Apparel	Children's Place	\$	739	3938	\$	3,064,964	Premium of national over overall		
Apparel	Clare's	\$	433	965	\$	417,845			
Specialty	Couch Stores	\$	2,007	1893	\$	3,397,851	Top 10 tenants average space		
Food&Drug	Cosmetics Plus	\$	1,009	1800	\$	1,818,200	Remaining tenants average space		
Specialty	Crabtree & Evelyn	\$	559	1723	\$	963,157			
Food&Drug	Duane Reade	\$	2,591	5750	\$	17,190,250			
Apparel	The Gap	\$	1,109	8576	\$	9,510,784			
Specialty	Gothra	\$	1,432	940	\$	1,346,080			
Specialty	Hallmark	\$	720	4633	\$	3,335,760			
Apparel	J. Crew	\$	1,018	4204	\$	4,279,572			
Specialty	Leclerc	\$	667	3042	\$	2,029,014			
Apparel	Nina West	\$	1,039	2054	\$	2,134,106			
Impulse	Radio Shack	\$	926	1633	\$	1,697,358			
Food&Drug	Saint Goboly	\$	505	8995	\$	3,532,475			
Specialty	Sbarro	\$	1,254	2857	\$	3,582,578			
Specialty	Store of Knowledge	\$	509	4657	\$	2,370,413			
Specialty	Structure	\$	266	8158	\$	2,169,496			
Specialty	Sunglass Hut	\$	829	607	\$	503,203			
Apparel	Tie Rack	\$	995	755	\$	751,225			
Specialty	Warner Bros. Studio Store	\$	492	8959	\$	4,427,508			
	Total			138889	\$	107,676,963			
						786.50			
Source: NYCP - Retail Sector Report									
WTC Sales 2000	394MM/yr	WTC is 33% of Lower Manhattan revenue							
Lower Manhattan 2000	1200MM/yr								
Source: Lower Manhattan Retail Market Data; Alliance for Downtown New York									
Retail Space in 1995	WTC	327,000 sq ft	WTC %						
	Lower Manhattan	2,133,000 sq ft							
ANALYSIS									
WTC Mall retail sales/sq ft by category									
	Sales	Sq Ft	Sales/sq ft	% space					
Apparel	\$	38,779,247	39609	974.13	25.1%				
Food&Drug	\$	25,605,591	14056	1,036.07	10.3%				
Impulse	\$	22,519,343	48574	461.81	36.5%				
Specialty	\$	20,542,482	34460	598.30	25.2%				
	\$	107,876,963	138669	786.80					
Overall WTC sales/sq ft (divide by premium)									
	Assume same mix								
	National	Overall	Space	Sales					
Apparel	\$	974.13	\$	946.11	124,307	\$	117,856,353		
Food&Drug	\$	1,036.07	\$	1,786.98	43,891	\$	76,519,418		
Impulse	\$	463.61	\$	461.22	151,677	\$	68,439,896		
Specialty	\$	598.30	\$	560.37	107,573	\$	82,431,959		
					427,448		327,247,565		
Adjust to 2000									
	2000/1999=384/327								
Apparel	\$	1,113	\$	124,307	\$	138,406,121			
Food&Drug	\$	2,101	\$	43,891	\$	92,206,289			
Impulse	\$	630	\$	151,677	\$	80,569,787			
Specialty	\$	682	\$	107,573	\$	73,314,523			
					427,448	\$	384,280,720	\$	899
WTC Premium over Lower Manhattan									
	32% of revenues/ 15.3% of space								
	2,091/503/286								
Overall Lower Manhattan Sales/sq ft									
	Assume same mix								
Apparel	\$	632							
Food&Drug	\$	1,004							
Impulse	\$	253							
Specialty	\$	328							
Overall Lower Manhattan Space									
	Assume same mix as WTC retail mall								
	Assume total = 2134,000								
	Revenues	Space							
Apparel	\$	620,593	\$	320,381,211					
Food&Drug	\$	219,123	\$	220,094,492					
Impulse	\$	787,233	\$	191,842,751					
Specialty	\$	637,050	\$	175,001,831					
		2,134,000	\$	917,302,285					
Remove WTC from Lower Manhattan									
	Assume same mix								
	Revenues	Space							
Apparel	\$	489,286	\$	191,981,050					
Food&Drug	\$	175,232	\$	127,890,203					
Impulse	\$	605,657	\$	111,472,864					
Specialty	\$	429,177	\$	101,587,308					
		1,708,652	\$	533,011,585					

EDSSR 000662



A rebuilt WTC could also address the retail needs of Downtown residents that were not being met before 9/11. A rebuilt WTC mall could increase the drawing power of the Downtown community as a concentrated or "theme-oriented" retail destination

<p>Downtown is not capitalizing on retail opportunities...</p> <ul style="list-style-type: none"> ■ 57% of Downtown residents⁽¹⁾ report being dissatisfied with the current selection and quality of Downtown retail shops ■ Examples of retail needs include <ul style="list-style-type: none"> • Wider selection of community-oriented retail⁽²⁾ • Wider selection of restaurant/dining options ■ For every new 100 retail jobs created in Lower Manhattan, 18 jobs are created indirectly 	<p>...that residents are willing to pay for</p> <ul style="list-style-type: none"> ■ Average household income is \$144,000 ■ 88% of new residents earn more than \$90,000 per year with 25% earning over \$210,000 per year ■ Households that earn more than \$90,000 per year spend 15% more of their income on apparel & services 	<p>Market Opportunities for creating retail stores and jobs</p> <ul style="list-style-type: none"> ■ General Merchandise stores for quick access to variety of goods ■ Lifestyle retail for compressed schedules <ul style="list-style-type: none"> • Video stores • Dry cleaning ■ Dining/entertainment options <ul style="list-style-type: none"> • Capture tourist and resident spend
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Note:

(1) 43% are under age 30, 88% are under age 45

(2) Establishments like 24 hours gourmet delis, greengrocers, video stores, and dry cleaners were quoted IMPLAN model; *Downtown New York: A Community Comes of Age*, Alliance for Downtown New York;

Sources:
U.S. Department of Labor

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Impact of retail business will be largely influenced by the mix of tenants

DATA

Source: Downtown New York: A Community Comes of Age; Alliance for Downtown New York

Average household income is \$144,000
 88% of new residents earn more than \$50,000 per year
 25% of new households earn over \$210,000 per year - four times the report's median income
 42% are under 30; 88% are under 45

Desired Retail Improvements

Wider selection of community-oriented retail (24 hr gourmet delis, greengrocers, video stores, dry cleaners)
 Longer hours of operation
 Wider selection of restaurant/entertainment offerings
 33% identified more convenience retail and 31% identified more nightlife/dining options as desired improvements
 57% report being dissatisfied with the selection and quality of Downtown retail shops

Source: Issues in Labor Statistics Summary 88-10; U.S. Department of Labor

Households that earn more than 60%
 Households that earn less than 60%

% on app. service	% on entertainment
5.90	5.50
5.10	5.40
14%	2%

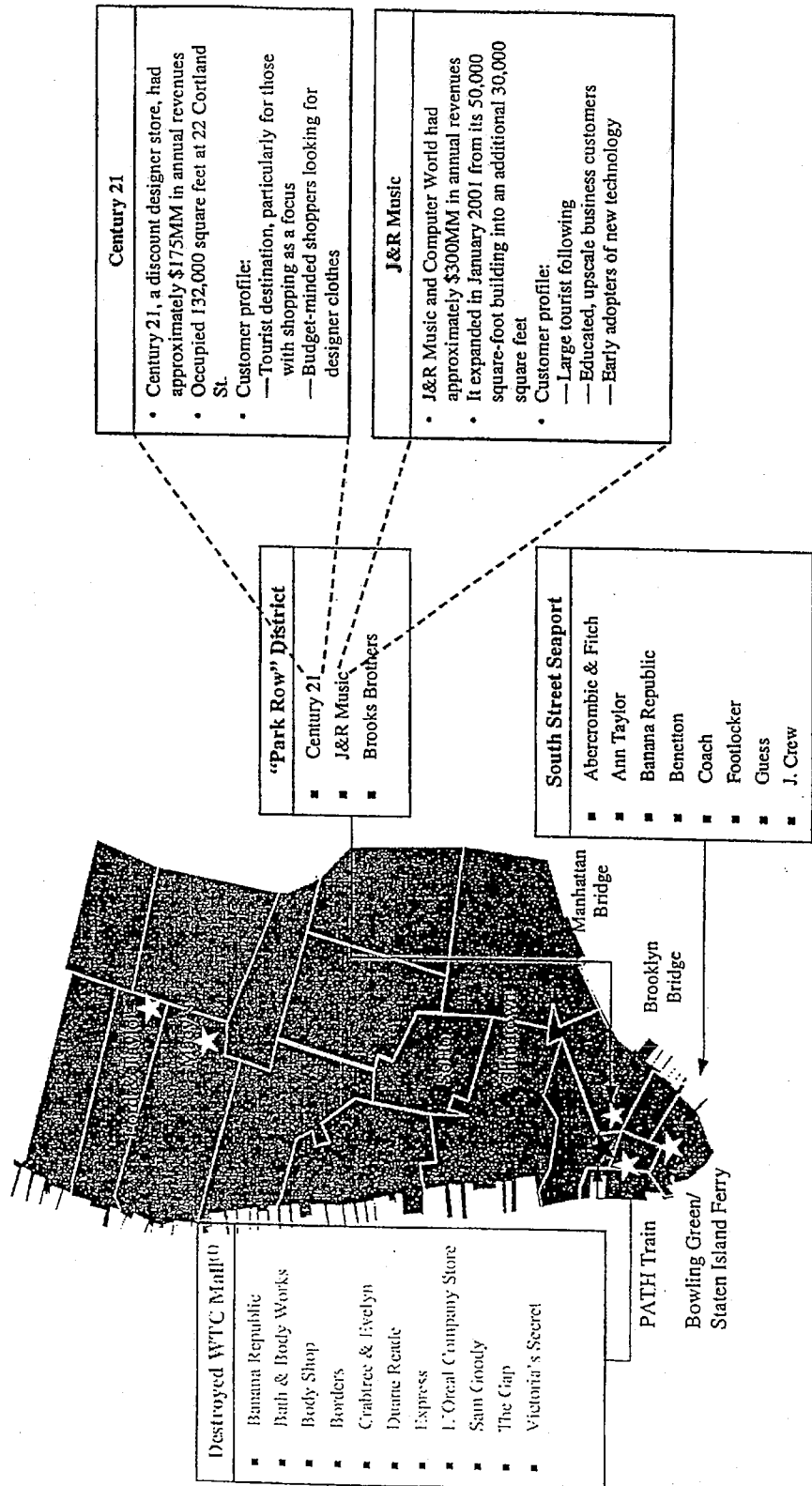
ANALYSIS

EDSSR 000664



A rebuilt WTC retail mall could complement the unique local retail mix and provide a vertical mall to make Downtown a one-step shopping area once again

Downtown Retail Sector Profile



Note: (1) Sample of key tenants

Sources: Newsday; New York Post; Billboard; The Star-Ledger Newark; Dow Jones News Services; Alliance for Downtown New York

Retail mix

DATA

Source: NYCP Retail Report

Revenues

J&R ('99) \$310MM

Century 21 \$140MM

Source: NY Post 1/16/2001

J&R opens new space combining its current size of 50,000 square feet by another 30,000 square feet

Source: Dow Jones New Service 9/25/2001

Century 21 occupies about 132,000 square feet of space at 22 Cortland Str

Source: Billboard 10/27/2001

J&R stores cater to more educated, upscale business and student customers and it goes after cutting-edge audio and video hardware

Source: Newsday 10/20/2001

J&R does \$300MM annually in sales

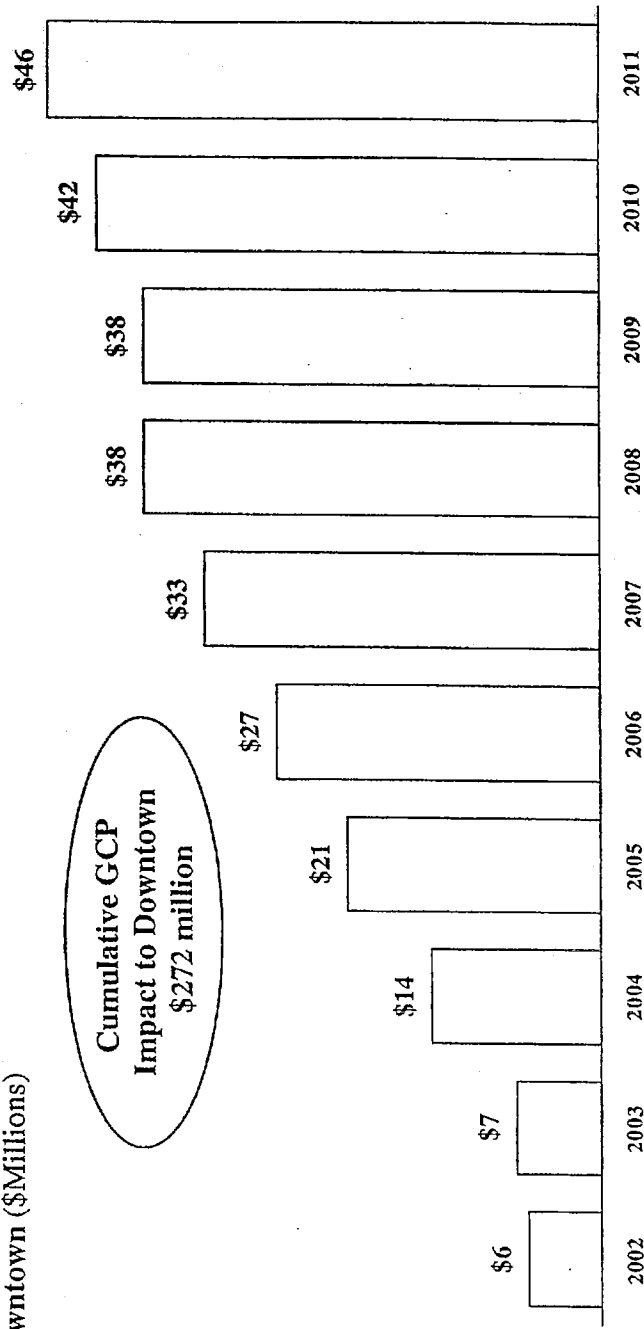
EDSSR 000666



Impact of Rebuilding on Community-Based Businesses

As many community businesses rely on the tenants of the WTC for business, rebuilding the WTC will have a significant impact on the community business sector. Rebuilding could contribute up to \$1 billion in GCP to Downtown and New York City

Incremental Annual GCP Impact From Community-Based Business⁽¹⁾ in Downtown (\$Millions)



Note: (1) Incremental community-based business employment and GCP generated assumed to be an indirect effect of increased incremental economic activity from infrastructure development, construction activity, office tenants, retail activity, tourism and residential spending related to the rebuilding of the WTC

Source: IMPLAN model; Alliance for Downtown - "Destination Downtown - A Guide to Lower Manhattan"; A.T. Kearney analysis

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GCP Impact from Small Business Flowthrough

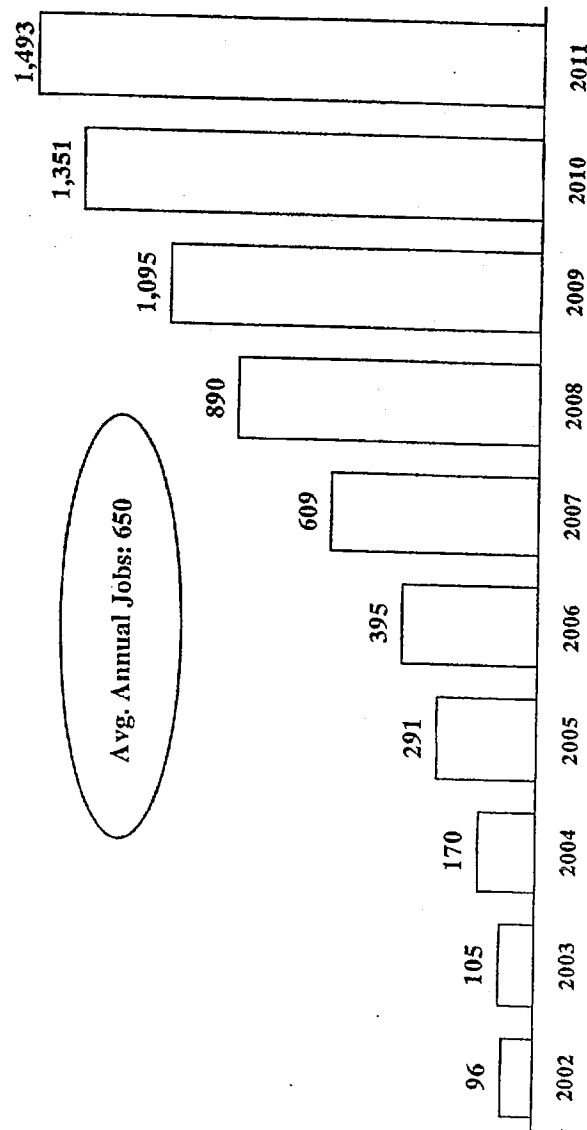
Flowthrough Category	Input Category	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Retail	Construction	-	-	-	-	-	-	-	-	-	-	21,830,181
	Office	-	412,751	2,572,088	4,060,162	4,702,251	4,588,048	4,023,232	1,381,628	8,734,842	10,481,430	39,375,680
	Retail - Indirect	-	-	-	1,307,678	1,743,572	3,196,013	7,558,477	7,558,477	438,827	470,549	15,112,032
	Retail - Direct	-	-	-	-	-	83,915	201,552	319,169	438,827	470,549	1,473,616
	Tourism	-	-	-	-	-	8,198,909	19,892,707	31,186,506	42,800,304	45,975,192	147,733,616
	Infrastructure	-	-	-	413,051	751,133	1,107,884	1,485,729	1,884,243	2,306,058	2,750,266	10,699,387
Total	Residential	1,545,385	1,429,460	1,146,755	-	-	-	-	-	-	-	4,121,580
	Small Business %	1,545,385	1,429,460	1,146,755	283,221	544,691	851,514	1,184,417	1,545,781	1,928,282	2,339,071	8,055,877
Restaurants	Construction	-	-	-	-	-	-	-	-	-	-	233,827,398
	Office	-	88,090	548,756	868,237	1,022,428	878,882	858,358	284,771	4,115,812	4,422,982	18,647,538
	Retail - Indirect	-	-	-	532,870	737,160	1,351,461	2,272,611	3,194,361	1,907,721	2,050,088	18,647,538
	Tourism	-	-	-	220,033	400,133	37,462	90,028	142,570	195,115	210,177	875,370
	Infrastructure	560,983	528,378	429,342	-	-	-	-	-	-	-	1,518,683
	Residential	560,983	814,438	978,096	1,765,732	2,421,880	3,387,469	4,592,334	5,378,651	8,488,634	7,222,551	33,358,551
Total	Small Business %	560,983	814,438	978,096	1,765,732	2,421,880	3,387,469	4,592,334	5,378,651	8,488,634	7,222,551	33,358,551
	Small Business %	560,983	814,438	978,096	1,765,732	2,421,880	3,387,469	4,592,334	5,378,651	8,488,634	7,222,551	33,358,551
Residential Services	Construction	-	-	-	-	-	-	-	-	-	-	2,100,733
	Office	-	39,719	247,514	390,712	461,182	441,511	367,159	182,555	1,907,721	2,050,088	7,718,304
	Retail - Indirect	-	-	-	256,261	341,681	838,418	1,053,518	1,480,619	1,907,721	2,050,088	352,000
	Tourism	-	-	-	-	-	19,535	48,921	74,307	101,683	109,544	352,000
	Infrastructure	-	-	-	103,978	189,100	278,895	374,029	474,346	580,515	692,332	2,893,184
	Residential	263,228	247,014	201,493	-	-	-	-	-	-	-	711,735
Total	Small Business %	263,228	247,014	201,493	-	-	-	-	-	-	-	1,854,288
	Small Business %	263,228	247,014	201,493	-	-	-	-	-	-	-	1,854,288
Business Services	Construction	-	-	-	-	-	-	-	-	-	-	50,981,707
	Office	-	963,551	6,004,444	9,478,299	11,187,335	10,710,630	9,392,087	3,225,380	8,899,474	9,583,614	35,993,380
	Retail - Indirect	-	-	-	1,195,452	1,593,930	2,922,215	4,914,635	6,907,054	522,904	563,272	1,809,980
	Tourism	-	-	-	-	-	100,450	241,286	382,086	3,350,401	4,007,887	15,590,018
	Infrastructure	-	-	-	601,658	1,094,834	1,514,408	2,165,187	2,745,883	3,302,820	4,004,722	14,823,884
	Residential	3,233,632	2,974,193	2,470,924	450,854	632,992	1,458,504	2,028,707	2,845,425	3,302,820	4,004,722	14,823,884
Total	Small Business %	3,233,632	2,974,193	2,470,924	450,854	632,992	1,458,504	2,028,707	2,845,425	3,302,820	4,004,722	14,823,884
	Small Business %	3,233,632	2,974,193	2,470,924	450,854	632,992	1,458,504	2,028,707	2,845,425	3,302,820	4,004,722	14,823,884
Cultural & Entertainment	Construction	-	-	-	-	-	-	-	-	-	-	1,109,138
	Office	-	20,914	130,328	205,729	242,824	232,477	203,858	70,007	1,041,152	1,118,849	4,211,225
	Retail - Indirect	-	-	-	139,658	186,475	341,871	574,894	808,058	60,098	64,735	2,081,016
	Tourism	-	-	-	-	-	11,544	27,728	43,812	60,098	303,752	2,334,015
	Infrastructure	-	-	-	105,554	191,873	283,005	378,549	481,290	588,893	303,752	328,278
	Residential	121,671	114,284	93,323	-	-	-	-	-	-	-	1,302,002
Total	Small Business %	121,671	114,284	93,323	-	-	-	-	-	-	-	1,302,002
	Small Business %	121,671	114,284	93,323	-	-	-	-	-	-	-	1,302,002
Total Small Business		5,724,859	8,818,325	13,744,067	20,338,593	28,882,824	40,759,851	58,768,401	69,311,008	84,652,749	92,448,332	419,884,798
Total 9 Year Cumulative Impact		5,724,859	8,818,325	13,744,067	20,338,593	28,882,824	40,759,851	58,768,401	69,311,008	84,652,749	92,448,332	419,884,798

page 27 footnote

Construction	80,656,208
Office	103,947,105
Retail - Indirect	4,557,388
Tourism	37,014,287
Infrastructure	15,257,128
Residential	90,789,047

Rebuilding will also likely create over 3,500 community-based business jobs by 2011.

**Incremental Community-Based Business Jobs Created^{(1), (2)}
2002E-2011E**



Note:

(1) Incremental community-based business employment and GCP generated assumed to be an indirect effect of increased incremental economic activity from infrastructure development, construction activity, office tenants, retail activity, tourism and residential spending related to the rebuilding of the WTC

(2) Community businesses are defined as small independent establishments operating south of Chambers Street from City Hall to the Battery and from the East River to West Street

Source: IMPLAN model; Alliance for Downtown – “Destination Downtown – A Guide to Lower Manhattan”; A.T. Kearney analysis

Jobs Created from Small Business Flowthrough

Flowthrough Category	Input Category	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Retail	Construction	10%	4	28	44	52	50	44	15	-	-
	Office	40%	-	-	29	39	71	120	168	217	233
	Retail - Indirect	40%	-	-	-	-	2	4	7	10	10
	Retail - Direct	40%	-	-	-	-	73	175	277	379	408
	Tourism	40%	-	-	9	17	25	33	42	51	61
	Infrastructure	15%	26	19	-	-	-	-	-	-	-
	Residential	67%	-	-	5	11	17	23	31	38	46
	Total		26	28	47	88	118	399	540	695	759
	Small Business % (86%)										
Restaurants	Construction	10%	-	1	14	17	16	14	5	-	-
	Office	40%	-	-	18	24	44	75	105	135	146
	Retail - Indirect	40%	-	-	-	-	1	3	5	6	7
	Tourism	40%	-	-	7	13	19	26	33	40	48
	Infrastructure	15%	14	13	11	-	-	-	-	-	-
	Residential	67%	-	-	4	8	12	17	22	27	33
	Total		14	14	20	43	62	134	169	209	233
	Small Business % (84%)										
Residential Services	Construction	10%	-	1	6	9	10	9	3	-	-
	Office	40%	-	-	12	16	29	48	68	88	94
	Retail - Indirect	40%	-	-	-	-	1	2	3	5	5
	Tourism	40%	-	-	5	9	14	16	23	28	34
	Infrastructure	15%	9	9	7	-	-	-	-	-	-
	Residential	67%	-	-	2	5	8	11	14	17	21
	Total		9	10	13	28	40	88	111	138	154
	Small Business % (100%)										
Business Services	Construction	10%	-	9	55	86	97	85	29	-	-
	Office	40%	-	-	19	25	46	78	110	141	152
	Retail - Indirect	40%	-	-	-	-	2	4	6	9	10
	Tourism	40%	-	-	11	19	29	38	49	60	71
	Infrastructure	15%	45	41	33	-	-	-	-	-	-
	Residential	67%	-	-	-	7	15	24	43	54	65
	Total		45	50	87	123	198	239	237	264	298
	Small Business %										
Cultural & Entertainment	Construction	10%	-	0	2	3	3	3	1	-	-
	Office	40%	-	-	-	4	9	15	21	27	29
	Retail - Indirect	40%	-	-	-	-	0	0	1	1	1
	Tourism	40%	-	-	2	4	5	7	9	11	11
	Infrastructure	15%	2	2	2	-	-	-	-	-	-
	Residential	67%	-	-	1	2	3	4	5	6	8
	Total		2	3	4	9	13	29	37	45	49
	Small Business %										

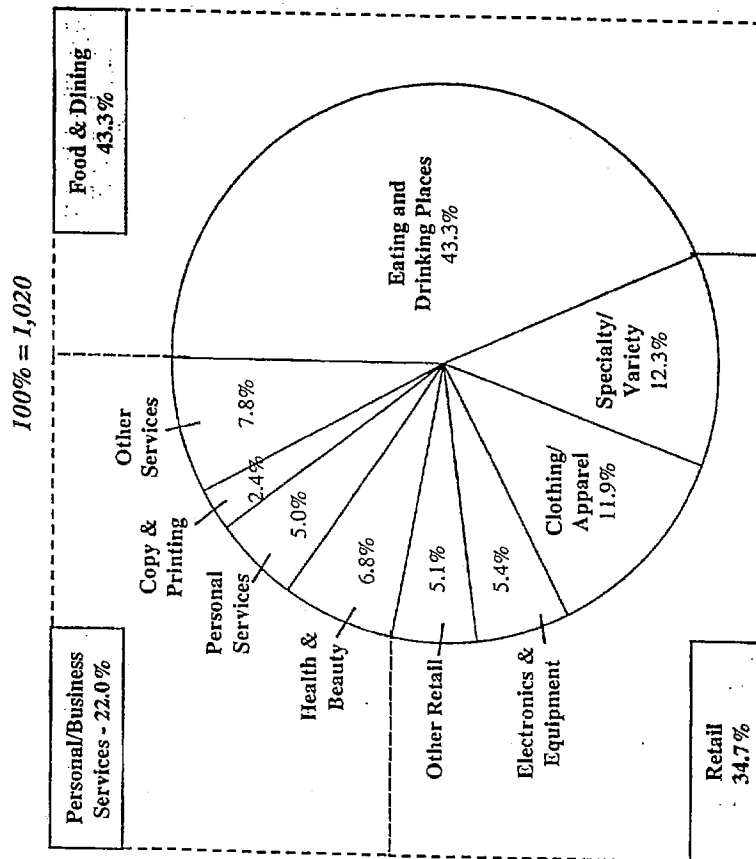
Total Small Business

96	105	170	291	395	609	890	1,095	1,351	1,493
6,495									

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Before September 11th, the community-based business sector Downtown comprised a mix of food and dining, retail and personal services establishments

Profile of Community-Based Businesses Pre-September 11th



Community Business Overview

- Community businesses are defined as small independent establishments operating south of Chambers Street from City Hall to the Battery and from the East River to West Street⁽¹⁾
- Excludes large retail establishments (e.g., The Gap, Banana Republic) but includes fast food establishments (e.g., McDonalds, Subway) as they are assumed to be independent franchises
- Community businesses do not include small professional and business services firms (e.g., law firms, accounting firms, consulting firms, etc.)

Notes: (1) Definition of Downtown based on Alliance for Downtown definition

Source: Alliance for Downtown - "Destination Downtown - A Guide to Lower Manhattan"; Interviews, A.T. Kearney analysis A.T. Kearney 17/19329-cj 55

EDSSR 000671

Total Companies By Type	Num. Of Companies	
Eating Places	475	40.8%
Clothing/Apparel	170	14.6%
Specialty/Variety	146	12.5%
Other Services	87	7.5%
Health and Beauty	75	6.4%
Electronics/Equipment	73	6.3%
Other Retail	52	4.5%
Personal Services	51	4.4%
Copying, Printing, Packaging	38	3.1%
Total	1,185	100.0%

Total Small Businesses By Type	Num. Of Companies	
Eating Places	443	43.4%
Clothing/Apparel	121	11.9%
Specialty/Variety	125	12.3%
Other Services	80	7.8%
Health and Beauty	69	6.8%
Electronics/Equipment	55	5.4%
Other Retail	52	5.1%
Personal Services	51	5.0%
Copying, Printing, Packaging	24	2.4%
Total	1,020	

Total Small Businesses Affected By Type	Num. Of Companies		Revenue Per Day	Days Open per Year	Annual Revenue	Total Revenue		
Eating Places	48	42.9%	\$3,515	343	\$1,206,674	\$57,920,352 F&D	PGS	\$17,927,758
Clothing/Apparel	18	18.1%	\$3,381	343	\$1,159,683	\$20,874,294 R	Retail	\$53,345,418
Specialty/Variety	14	12.5%	\$3,381	343	\$1,159,683	\$18,535,582 R	F&D	\$57,920,352
Other Services	8	5.4%	\$3,381	343	\$1,159,683	\$8,698,096 PGS		\$129,193,528
Health and Beauty	8	7.1%	\$3,381	260	\$879,060	\$7,032,480 PGS		
Electronics/Equipment	5	4.5%	\$3,381	343	\$1,159,683	\$3,796,418 R		
Other Retail	9	8.0%	\$3,381	343	\$1,159,683	\$10,437,147 R		
Personal Services	3	2.7%	\$3,381	260	\$879,060	\$2,537,180 PGS		
Copying, Printing, Packaging	1	0.9%	\$5,000	260	\$1,300,000	\$1,300,000 PGS		
Total	112					\$129,193,528		

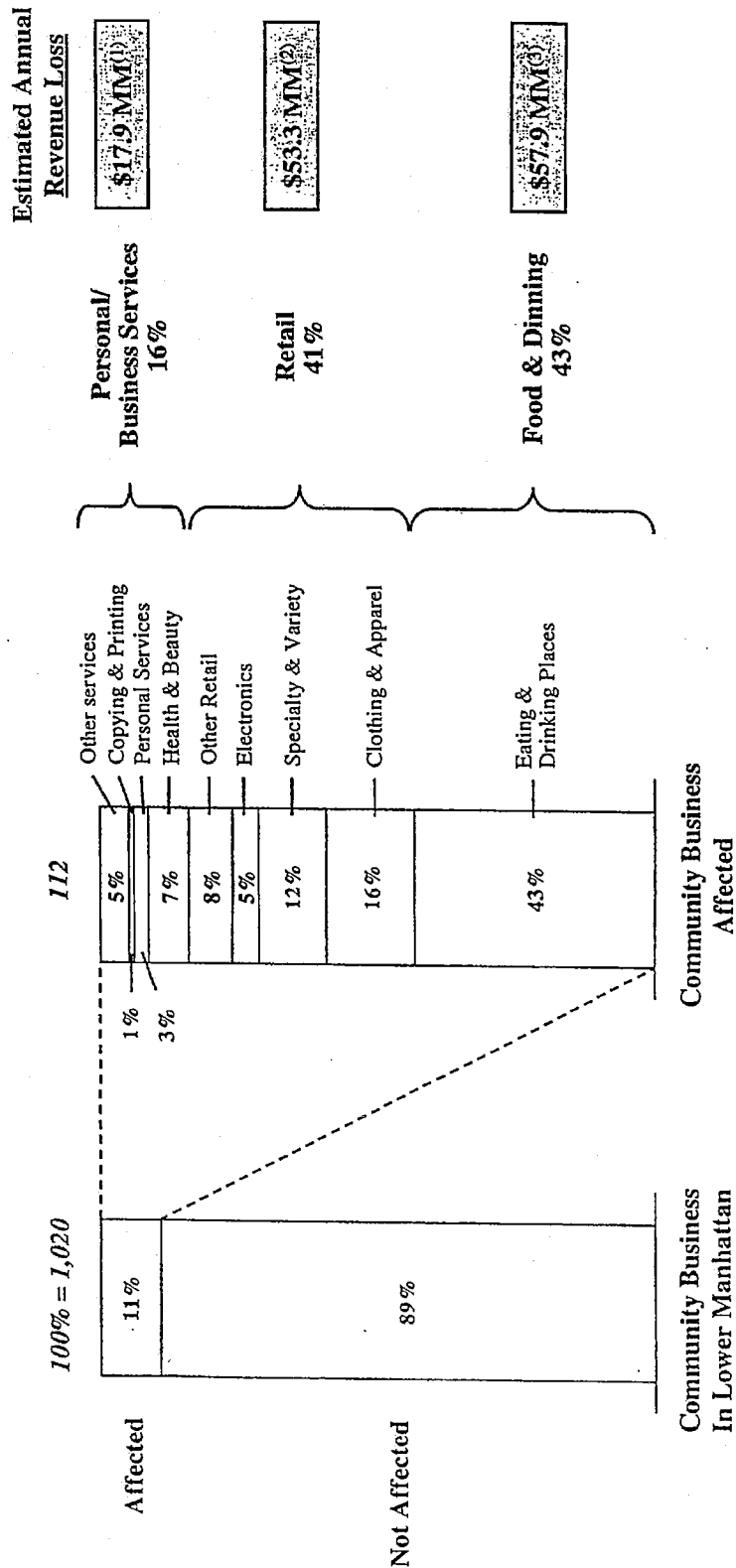
Number of Businesses By Street	Num. Of Businesses	Number Affected	Number Unaffected	% of Total Businesses	% Affected
Fulton Street	107	2	105	10.5%	1.9%
Broadway	75	1	74	7.3%	1.3%
Nassau Street	74	1	73	7.2%	1.4%
John Street	69	4	65	6.4%	5.8%
South Street Seaport	68	0	68	6.7%	0.0%
Minion Lane	50	1	49	4.8%	2.0%
World Trade Center	44	44	0	0.0%	100.0%
Pearl Street	41	1	40	3.9%	2.4%
World Financial Center	34	34	0	0.0%	100.0%
Water Street	27	0	27	2.6%	0.0%
South End Avenue	25	2	23	2.3%	8.0%
Wall Street	24	1	23	2.3%	4.2%
Beaver Street	23	1	22	2.2%	4.3%
Broad Street	23	1	22	2.2%	4.3%
Greenwich Street	23	0	23	2.2%	0.0%
Pine Street	20	1	19	1.9%	5.0%
New Street	19	1	18	1.8%	5.3%
Hanover Square	18	1	17	1.7%	5.6%
Church Street	17	1	16	1.6%	5.9%
William Street	17	0	17	1.7%	0.0%
Trinity Place	16	2	14	1.4%	12.5%
Liberty Street	14	1	13	1.3%	7.1%
Beekman Street	13	0	13	1.3%	0.0%
Ann Street	12	0	12	1.2%	0.0%
New York Plaza	11	0	11	1.1%	0.0%
Park Place	10	1	9	0.9%	10.0%
Exchange Place	9	0	9	0.9%	0.0%
Pector Street	9	0	9	0.9%	0.0%
West Street	9	3	6	0.9%	33.3%
Cortlandt Street	8	2	6	0.8%	25.0%
Stone Street	7	0	7	0.7%	0.0%
Washington Street	7	1	6	0.6%	14.3%
Cedar Street	6	1	5	0.5%	16.7%
Embassy Suite Hotel	6	0	6	0.6%	0.0%
Murray Street	6	0	6	0.6%	0.0%
Old Street	5	0	5	0.5%	0.0%
Day Street	5	0	5	0.5%	0.0%
Exchange Plaza	5	0	5	0.5%	0.0%
Thames Street	5	0	5	0.5%	0.0%
Whitall Street	5	0	5	0.5%	0.0%
Barclay Street	4	1	3	0.4%	25.0%
Gold Street	4	0	4	0.4%	0.0%
Park Row	4	0	4	0.4%	0.0%
Pector Place	4	0	4	0.4%	0.0%
South William Street	4	0	4	0.4%	0.0%
Battery Place	3	1	2	0.3%	33.3%
Chambers Street	3	1	2	0.2%	33.3%
Front Street	3	0	3	0.3%	0.0%
Other	3	0	3	0.3%	0.0%
Vesey Street	3	0	3	0.3%	0.0%
Bowling Green	2	0	2	0.2%	0.0%
Bridge Street	2	0	2	0.2%	0.0%
Liberty Place	2	0	2	0.2%	0.0%
Seaport Plaza	2	0	2	0.2%	0.0%
West Broadway	2	0	2	0.2%	0.0%
Albany Street	1	0	1	0.1%	0.0%
Battery Park	1	1	0	0.1%	100.0%
Coenties Slip	1	0	1	0.1%	0.0%
Dutch Street	1	0	1	0.1%	0.0%
Greenwich Avenue	1	0	1	0.1%	0.0%
North End Avenue	1	0	1	0.1%	0.0%
State Street	1	0	1	0.1%	0.0%
Varick Street	1	0	1	0.1%	0.0%
Warren Street	1	0	1	0.1%	0.0%
Ellis Island	0	0	0	0.0%	0.0%
Liberty Plaza	0	0	0	0.0%	0.0%
Total	1020	112			

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As a result of the attacks, over ten percent of the community-based businesses Downtown were either destroyed or severely damaged, the vast majority of which were contained within either the World Trade or World Financial Center. This translates to an approximated \$130 million annual loss of revenue from these businesses in Lower Manhattan

Profile of Community Businesses Affected By Events of September 11th



Notes: (1) Revenue per day assumed to be \$3,381 except for copying and printing which is assumed to be \$5,000. Assumed to be open 260 days per year
 (2) Revenue per day assumed to be \$3,381 with establishments open approximately 343 days per year
 (3) Revenue per day assumed to be \$3,518 with establishments open approximately 343 days per year

Source: Alliance for Downtown - "Destination Downtown - A Guide to Lower Manhattan" and "Survey of Lower Manhattan Retail Establishments"

Total Companies By Type	Num. Of Companies	
Eating Places	475	40.8%
Clothing/Apparel	170	14.5%
Specialty/Variety	146	12.5%
Other Services	87	7.5%
Health and Beauty	75	6.4%
Electronics/Equipment	73	6.3%
Other Retail	52	4.5%
Personal Services	51	4.4%
Copying, Printing, Packaging	36	3.1%
Total	1,165	100.0%

Total Small Businesses By Type		
Eating Places	443	43.4%
Clothing/Apparel	121	11.9%
Specialty/Variety	125	12.3%
Other Services	80	7.8%
Health and Beauty	69	6.8%
Electronics/Equipment	55	5.4%
Other Retail	52	5.1%
Personal Services	51	5.0%
Copying, Printing, Packaging	24	2.4%
Total	1,020	

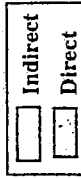
Total Small Businesses Affected By Type			Revenue Per Day	Days Open per Year	Annual Revenue	Total Revenue			
Eating Places	48	42.9%	\$3,518	343	\$1,206,674	\$57,920,252 F&D	PBS	\$17,827,758	
Clothing/Apparel	18	16.1%	\$3,381	343	\$1,159,683	\$20,874,294 R	Retail	\$53,345,418	
Specialty/Variety	14	12.5%	\$3,381	343	\$1,159,683	\$18,235,566 R	F&D	\$57,920,332	
Other Services	8	7.1%	\$3,381	343	\$1,159,683	\$8,968,048 PBS			\$129,193,528
Health and Beauty	8	7.1%	\$3,381	280	\$879,060	\$7,032,480 PBS			
Electronics/Equipment	5	4.5%	\$3,381	343	\$1,159,683	\$5,796,415 R			
Other Retail	9	8.0%	\$3,381	343	\$1,159,683	\$10,437,147 R			
Personal Services	3	2.7%	\$3,381	280	\$879,060	\$2,837,180 PBS			
Copying, Printing, Packaging	1	0.9%	\$5,000	280	\$1,300,000	\$1,300,000 PBS			
Total	112					\$129,193,528			

Number of Businesses By Street	Num. of Businesses	Number Affected	Number Unaffected	% of Total Businesses	% Affected
Fulton Street	107	2	105	10.3%	1.9%
Broadway	75	1	74	7.3%	1.3%
Nassau Street	74	1	73	7.2%	1.4%
John Street	69	4	65	6.6%	5.8%
South Street Seaport	68	0	68	6.7%	0.0%
Mitten Lane	50	1	49	4.8%	2.0%
World Trade Center	44	44	0	4.3%	100.0%
Pearl Street	41	1	40	4.0%	2.4%
World Financial Center	34	34	0	3.3%	100.0%
Water Street	27	0	27	2.6%	0.0%
South End Avenue	25	2	23	2.3%	8.0%
Wall Street	24	1	23	2.3%	4.2%
Beaver Street	23	1	22	2.2%	4.3%
Broad Street	23	1	22	2.2%	4.3%
Greenwich Street	23	0	23	2.2%	0.0%
Pine Street	20	1	19	1.9%	5.0%
New Street	19	1	18	1.8%	5.3%
Manover Square	18	1	17	1.7%	5.6%
Church Street	17	1	16	1.6%	5.9%
William Street	17	0	17	1.7%	0.0%
Trinity Place	14	2	12	1.4%	12.5%
Liberty Street	14	1	13	1.3%	7.1%
Beekman Street	13	0	13	1.3%	0.0%
Ann Street	12	0	12	1.2%	0.0%
New York Plaza	11	0	11	1.1%	0.0%
Park Place	10	1	9	0.9%	10.0%
Exchange Place	9	0	9	0.9%	0.0%
Rector Street	9	0	9	0.9%	0.0%
West Street	9	3	6	0.9%	33.3%
Cortland Street	8	2	6	0.8%	25.0%
Stone Street	7	0	7	0.7%	0.0%
Washington Street	7	1	6	0.6%	14.3%
Cedar Street	6	1	5	0.6%	16.7%
Embassy Suite Hotel	6	0	6	0.6%	0.0%
Murray Street	6	0	6	0.6%	0.0%
Cliff Street	5	0	5	0.5%	0.0%
Dey Street	5	0	5	0.5%	0.0%
Exchange Plaza	5	0	5	0.5%	0.0%
Thames Street	5	0	5	0.5%	0.0%
Whitehall Street	5	0	5	0.5%	0.0%
Bowling Green	4	0	4	0.4%	0.0%
Gold Street	4	1	3	0.4%	25.0%
Park Row	4	0	4	0.4%	0.0%
Rector Place	4	0	4	0.4%	0.0%
South William Street	4	0	4	0.4%	0.0%
Battery Place	3	1	2	0.3%	66.7%
Chambers Street	3	1	2	0.3%	33.3%
Front Street	3	0	3	0.3%	0.0%
Other	3	0	3	0.3%	0.0%
Vesey Street	3	0	3	0.3%	0.0%
Bowling Green	2	0	2	0.2%	0.0%
Bridge Street	2	0	2	0.2%	0.0%
Liberty Place	2	0	2	0.2%	0.0%
Seaport Plaza	2	0	2	0.2%	0.0%
West Broadway	2	0	2	0.2%	0.0%
Albany Street	1	0	1	0.1%	0.0%
Battery Park	1	0	1	0.1%	0.0%
Coenties Slip	1	0	1	0.1%	0.0%
Dutch Street	1	0	1	0.1%	0.0%
Greenwich Avenue	1	0	1	0.1%	0.0%
North End Avenue	1	0	1	0.1%	0.0%
State Street	1	0	1	0.1%	0.0%
Varick Street	1	0	1	0.1%	0.0%
Warren Street	1	0	1	0.1%	0.0%
Ellis Island	0	0	0	0.0%	0.0%
Liberty Plaza	0	0	0	0.0%	0.0%
Total	1020	112			

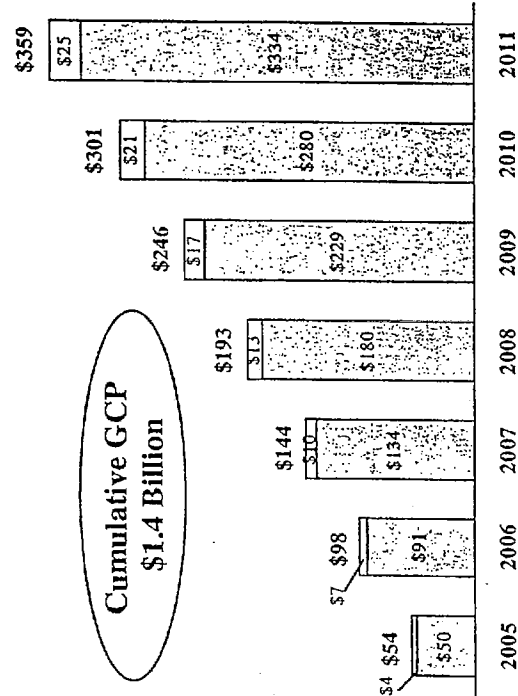
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Impact of Rebuilding on Tourism

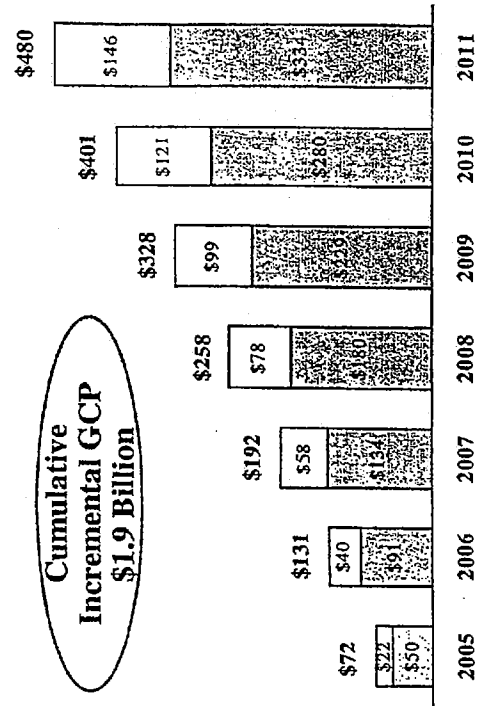
Tourism, among the hardest-hit sectors, will play a significant role in revitalizing the Downtown community. Rebuilding the WTC will likely contribute \$1.4 billion through tourism related revenue to Downtown's GCP and an incremental \$1.9 million to the City's GCP



Annual Incremental Tourism-Related Impact on Downtown
2005E – 2011E, (\$Millions)



Annual Incremental Tourism-Related Impact on New York's GCP
2005E – 2011E, (\$Millions)



Note: (1) Total direct jobs projected based on a historical relationship between number of jobs supporting tourism and the number of tourists visiting NYC
Sources: NYC & Co.; IMPLAN model; A.T. Kearney analysis

A.T. Kearney 17/19329-cj 57

INDIRECT IMPACT

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Infrastructure	NYC-Direct	229	216	177							
	NYC-Indirect	76.6	71.4	57.8							
	NYC-Induced	65.8	61.7	50.3							
	Downtown-Direct	229	216	177							
	Downtown-Indirect	8	7	6							
Construction	NYC-Direct	19.5	122	192.5	227.3	217.6	190.8	65.5			
	NYC-Indirect	25	156	247	291	279	244	84			
	NYC-Induced	9	57	91	107	102	90	31			
	Downtown-Direct	19.5	122	192.5	227.3	217.6	190.8	65.5			
	Downtown-Indirect	0.63	3.99	6.37	7.49	7.14	6.3	2.17			
Office	NYC-Direct			1,878.2	2,504.2	4,591.1	7,721.5	10,851.8	13,982.1	15,025.6	
	NYC-Indirect			784.7	1,046.3	1,918.2	3,226.2	4,534.1	5,842.0	6,278.0	
	Downtown-Direct			1,878.2	2,504.2	4,591.1	7,721.5	10,851.8	13,982.1	15,025.6	
	Downtown-Indirect			131.04	174.73	320.34	538.78	757.19	975.61	1,048.43	
Residential	NYC-Direct			25.1	52	81.3	113.1	147.6	184.2	223.4	
	NYC-Indirect			4.5	9.3	14.6	20.4	26.6	33.2	40.3	
	NYC-Induced			3.5	7.3	11.4	15.9	20.8	25.9	31.4	
	Downtown-Direct			25.1	52	81.3	113.1	147.6	184.2	223.4	
	Downtown-Indirect			5.3	11.1	17.3	24.2	31.6	39.4	47.8	
Tourism	NYC-Direct			50	91	134.3	180.1	228.5	279.6	333.5	
	NYC-Indirect			11.3	20.6	30.3	40.7	51.6	63.2	75.4	
	NYC-Induced			10.4	19	28	37.6	47.7	58.4	69.7	
	Downtown-Direct			50	91	134.3	180.1	228.5	279.6	333.5	
	Downtown-Indirect			3.6	6.6	9.7	13.1	16.6	20.3	24.2	
Retail Mall	NYC-Direct						12	28.9	45.8	62.7	
	NYC-Indirect-Induced						3.8	9.1	14.5	19.8	
	Downtown-Direct						12	28.9	45.8	62.7	
	Downtown-Indirect						0.6	1.5	2.4	3.3	
											3.6

Downtown Conversion Table (From NYC Numbers)

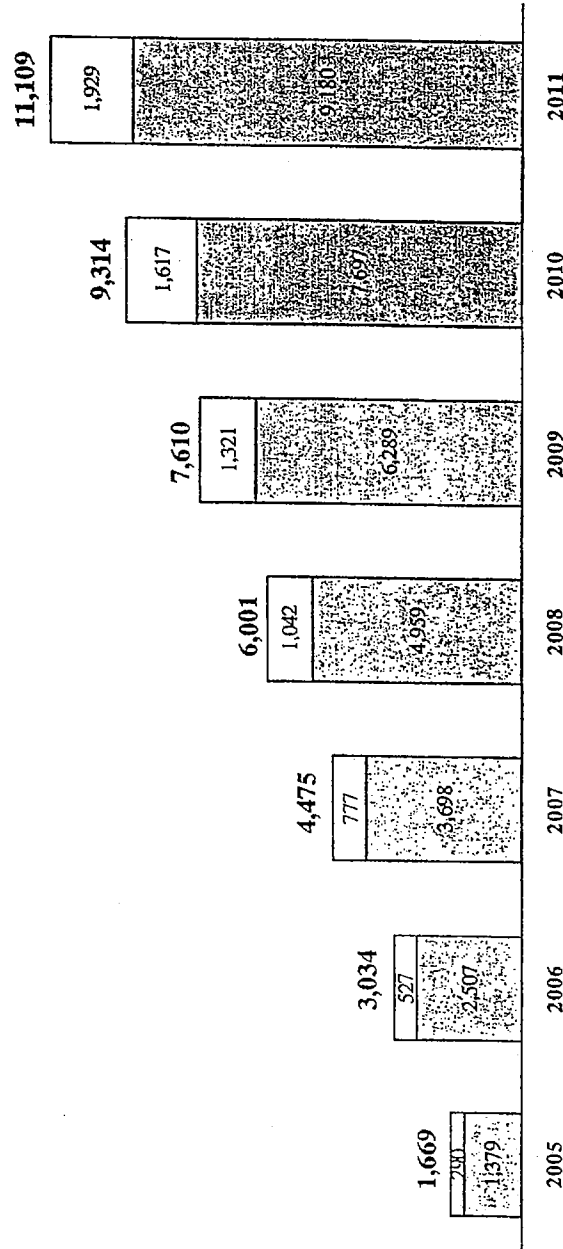
How to use this table: multiply and number for NYC by percentages in this table to arrive with Downtown numbers

	Direct	Indirect	Comments
Construction	100%	7.0% of induced	44% of induced is related to direct (times 16.7%)
Infrastructure	100%	12.0% of induced	75% of induced is related to direct (times 16.7%)
Office	100%	16.7% of induced	
Retail Mall	100%	16.7% of indirect and induced	
Retail Downtown	100%	16.7% of retail, office and tourism indirect and induced 66.7% of residential indirect and induced 7.0% of construction induced 12.0% of infrastructure induced	
Residential	100%	66.7% of indirect and induced	
Tourism	100%	16.7% of indirect and induced	
Community Business		20.0% of construction indirect and induced 40.0% of office indirect and induced 40.0% of retail indirect and induced 40.0% of tourism indirect and induced 20.0% of infrastructure indirect and induced 75.0% of residential indirect and induced	

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☐ Indirect
☐ Direct

Cumulative Incremental Tourism-Related Jobs
2005E – 2011E^{(1) (2)}



Note:

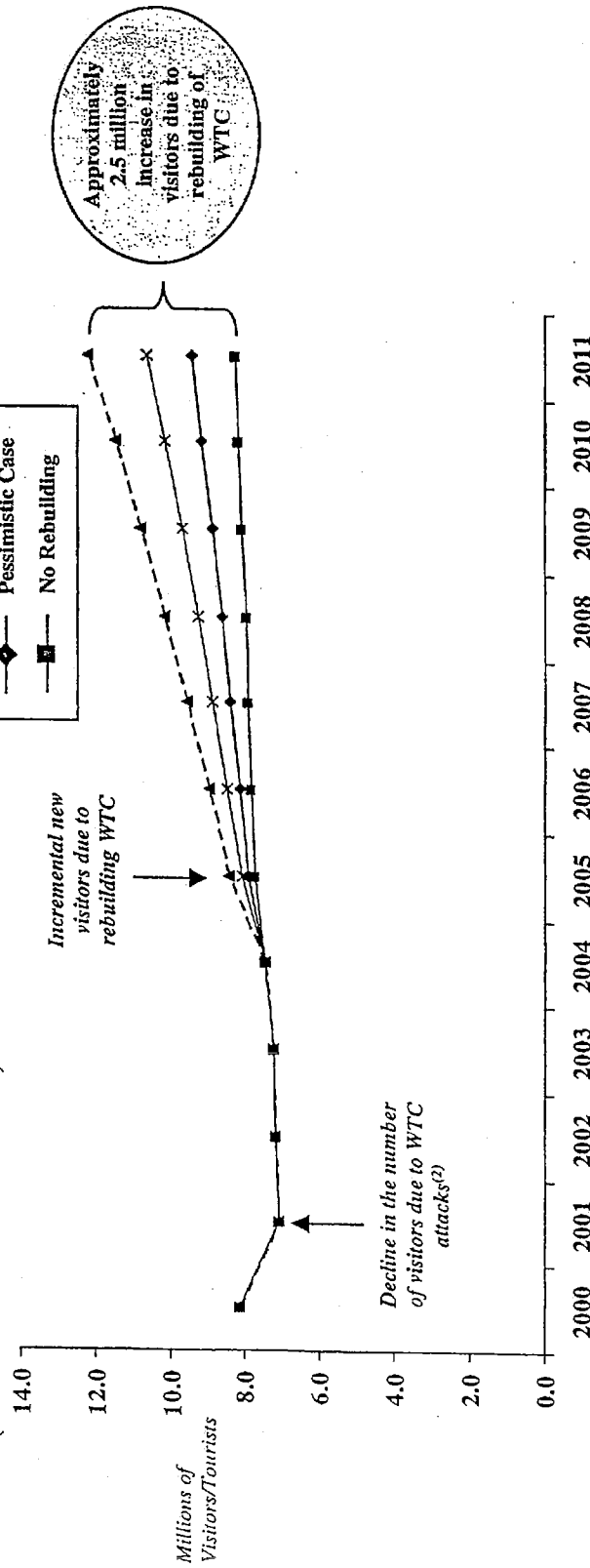
- (1) Total direct jobs projected based on a historical relationship between number of jobs supporting tourism and the number of tourists visiting NYC
- (2) Direct jobs primarily comprised of jobs from eating and drinking establishments (42%), retail (20%), amusements & recreation (15%), transportation (12%) and hotel and lodging (11%). Indirect jobs primarily from the services, retail and public services sectors

Sources: NYC & Co.; IMPLAN model; A.T. Kearney analysis

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The number of visitors in Lower Manhattan -- and consequently the levels of spending, jobs and taxes generated by the tourism sector -- will be heavily influenced by whether the World Trade Center is rebuilt

Impact of Rebuilding on the Number of Visitors to Lower Manhattan⁽¹⁾ (Millions of Visitors/Tourists)



The rebuilding status of the World Trade Center will greatly influence the level of spending, jobs and taxes generated in the tourism sector in Lower Manhattan

Notes: (1) Total visitors Downtown in 2000 estimated at 22% of total NYC visitors (37,380,000) in that year. Historical percentage of visitors Downtown is derived from an Audience Research & Analysis study of Downtown visitors for the Alliance for Downtown

(2) The percentage decline in the number of tourists visiting Downtown in 2005 is as follows: domestic business (-7%), domestic leisure (-12%), international business (-17%) and international leisure (-29%) -- based on Harris Interactive survey of tourist attitudes towards visiting NYC

Sources: NYC & Co.; Alliance for Downtown; Audience Research & Analysis; NYC Partnership -- Harris Interactive Survey, A.T. Kearney analysis

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Number of Visitors (1991 - 2011)

MANUSCRIPTAL (19th-20th)

[illegible]

PROJEKTED (2001-2011)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	CAGR	5yr	10yr
Base Case Scenario														
Domestic - Business	8,791,775	9,019,914	9,118,723	9,362,707	9,862,342	20,361,267	10,325,872	10,811,138	11,319,314	11,851,222	12,466,334	12,981,323		
Domestic - Leisure	11,483,891	11,698,238	11,814,818	11,941,882	12,060,409	21,704,547	22,394,103	22,912,008	23,462,576	24,045,978	24,662,177	25,319,330		
International - Business	1,784,228	1,783,834	1,803,254	1,857,352	2,043,087	2,248,914	2,344,914	2,444,914	2,544,914	2,644,914	2,744,914	2,844,914		
International - Leisure	2,301,841	2,340,992	2,377,743	2,479,078	4,033,728	4,225,407	4,421,001	4,621,329	4,821,657	5,021,985	5,222,313	5,422,641		
Total ITC	32,479,534	32,633,778	33,194,348	34,100,794	36,100,794	68,394,879	40,494,343	42,506,463	44,518,583	46,530,703	48,542,823	50,554,943	4.7%	4.1%
Total Downstream	7,047,098	7,154,960	7,272,708	7,454,840	8,037,337	8,815,112	8,810,823	8,724,722	8,638,624	8,552,524	8,466,424	8,380,324	4.7%	4.1%
Optimistic Case Scenario														
Domestic - Business	8,921,774	9,019,914	9,118,723	9,362,707	10,050,136	10,683,409	11,277,787	12,055,385	12,660,747	13,266,109	13,871,471	14,482,832		
Domestic - Leisure	11,483,891	11,698,238	11,814,818	11,941,882	12,193,062	23,182,073	23,781,284	24,380,495	24,979,706	25,578,917	26,178,128	26,777,339		
International - Business	1,784,228	1,783,834	1,803,254	1,857,352	2,173,102	2,472,102	2,771,102	3,070,102	3,369,102	3,668,102	3,967,102	4,266,102		
International - Leisure	2,301,841	2,340,992	2,377,743	2,479,078	4,458,008	4,775,240	5,092,472	5,409,704	5,726,936	6,044,168	6,361,400	6,678,632		
Total ITC	32,479,534	32,633,778	33,194,348	34,100,794	40,564,367	45,564,367	48,564,367	51,564,367	54,564,367	57,564,367	60,564,367	63,564,367	8.4%	5.8%
Total Downstream	7,047,098	7,154,960	7,272,708	7,454,840	8,296,238	8,932,547	9,568,856	10,205,165	10,841,474	11,477,783	12,114,092	12,750,401	8.4%	5.8%
Pessimistic Case Scenario														
Domestic - Business	8,921,774	9,019,914	9,118,723	9,362,707	9,769,415	10,091,467	10,260,311	10,429,155	10,598,000	10,766,844	10,935,688	11,104,532		
Domestic - Leisure	11,483,891	11,698,238	11,814,818	11,941,882	12,045,299	21,700,901	21,770,818	21,840,735	21,910,652	21,980,569	22,050,486	22,120,403		
International - Business	1,784,228	1,783,834	1,803,254	1,857,352	1,978,000	2,037,422	2,096,844	2,156,266	2,215,688	2,275,110	2,334,532	2,393,954		
International - Leisure	2,301,841	2,340,992	2,377,743	2,479,078	3,806,168	3,933,475	4,060,782	4,188,089	4,315,396	4,442,703	4,570,010	4,697,317		
Total ITC	32,479,534	32,633,778	33,194,348	34,100,794	36,039,482	37,109,848	38,284,248	39,458,648	40,633,048	41,807,448	42,981,848	44,156,248	3.0%	2.3%
Total Downstream	7,047,098	7,154,960	7,272,708	7,454,840	7,837,931	8,060,659	8,283,387	8,506,115	8,728,843	8,951,571	9,174,300	9,397,028	3.0%	2.3%
No Rebating Scenario														
Domestic - Business	8,921,774	9,019,914	9,118,723	9,362,707	9,974,488	8,780,307	8,886,487	8,997,291	10,107,241	10,218,498	10,330,823			
Domestic - Leisure	11,483,891	11,698,238	11,814,818	11,941,882	12,060,409	20,506,613	20,506,613	20,506,613	20,714,219	20,714,219	21,402,408			
International - Business	1,784,228	1,783,834	1,803,254	1,857,352	1,973,000	1,954,116	1,954,116	1,978,907	1,996,487	2,020,632	2,042,658			
International - Leisure	2,301,841	2,340,992	2,377,743	2,479,078	2,563,448	3,622,866	3,622,866	3,622,866	3,730,507	3,730,507	3,848,254			
Total ITC	32,479,534	32,633,778	33,194,348	34,100,794	35,511,259	30,863,202	30,863,202	30,863,202	31,968,467	32,179,621	33,281,935			
Total Downstream	7,047,098	7,154,960	7,272,708	7,454,840	7,878,433	7,782,546	7,782,546	7,782,546	7,954,873	8,001,954	8,154,106	1.1%	1.5%	1.5%

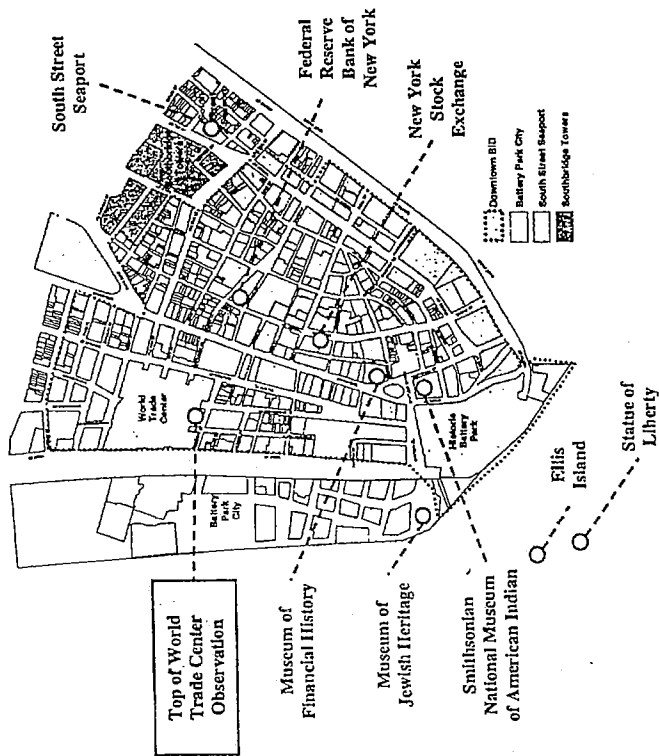
Base Case Scenario										
Domestic - Business	-7.0%	1.1%	1.1%	3.0%	5.0%	4.7%	4.7%	4.7%	4.7%	4.7%
Domestic - Leisure	-12.0%	1.1%	1.1%	3.0%	7.5%	4.7%	4.7%	4.7%	4.7%	4.7%
International - Business	-17.0%	1.1%	1.1%	3.0%	10.0%	4.7%	4.7%	4.7%	4.7%	4.7%
International - Leisure	-29.0%	1.1%	1.1%	3.0%	16.0%	4.7%	4.7%	4.7%	4.7%	4.7%
Optimistic Case Scenario										
Domestic - Business	-7.0%	1.1%	1.1%	3.0%	7.0%	6.4%	6.4%	6.4%	6.4%	6.4%
Domestic - Leisure	-12.0%	1.1%	1.1%	3.0%	12.0%	6.4%	6.4%	6.4%	6.4%	6.4%
International - Business	-17.0%	1.1%	1.1%	3.0%	17.0%	6.4%	6.4%	6.4%	6.4%	6.4%
International - Leisure	-29.0%	1.1%	1.1%	3.0%	29.0%	6.4%	6.4%	6.4%	6.4%	6.4%
Pessimistic Case Scenario										
Domestic - Business	-7.0%	1.1%	1.1%	3.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Domestic - Leisure	-12.0%	1.1%	1.1%	3.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
International - Business	-17.0%	1.1%	1.1%	3.0%	6.5%	3.0%	3.0%	3.0%	3.0%	3.0%
International - Leisure	-29.0%	1.1%	1.1%	3.0%	9.5%	3.0%	3.0%	3.0%	3.0%	3.0%
No Rebidding Scenario										
Domestic - Business	-7.0%	1.1%	1.1%	3.0%	3.0%	1.1%	1.1%	1.1%	1.1%	1.1%
Domestic - Leisure	-12.0%	1.1%	1.1%	3.0%	3.0%	1.1%	1.1%	1.1%	1.1%	1.1%
International - Business	-17.0%	1.1%	1.1%	3.0%	3.0%	1.1%	1.1%	1.1%	1.1%	1.1%
International - Leisure	-29.0%	1.1%	1.1%	3.0%	3.0%	1.1%	1.1%	1.1%	1.1%	1.1%

Chart Data - Dendrotem											
	2008	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Base Case	8,120,203	7,561,086	7,158,960	7,237,708	7,454,840	8,027,357	8,415,112	8,810,823	9,229,721	9,654,284	10,122,223
Optimistic Case	8,150,203	7,691,086	7,190,000	7,257,708	7,484,840	8,064,228	8,453,587	8,859,338	9,288,721	9,718,856	10,187,494
Pessimistic Case	8,150,203	7,561,086	7,158,960	7,237,708	7,454,840	7,857,357	8,200,808	8,558,468	8,926,376	9,304,563	9,682,750
No Prevalence Case	8,150,203	7,091,086	7,158,960	7,237,708	7,454,840	7,871,455	7,982,838	8,094,344	8,205,850	8,317,356	8,428,862



For example, before September 11th, the "Top of the World Trade Center" observation deck was a major anchor attraction, whose visitors also sought out other Downtown tourist sites

Tourism Profile in Lower Manhattan



Attraction Name	Total Annual Admissions/Visitors (millions)
• South Street Seaport	10.0
• Statue of Liberty	3.5
• Ellis Island	2.0
• Top of the WTC Observation	1.9
• New York Stock Exchange	0.7
• Museum of American Indians	0.14
• Museum of Financial History	0.04
• All Other	4.5
Total Admission	22.8
Total Unique Visitors⁽¹⁾	8.1

Notes: (1) Estimated based on fact that tourists visit 2.8 attractions, on average, during their visit Downtown

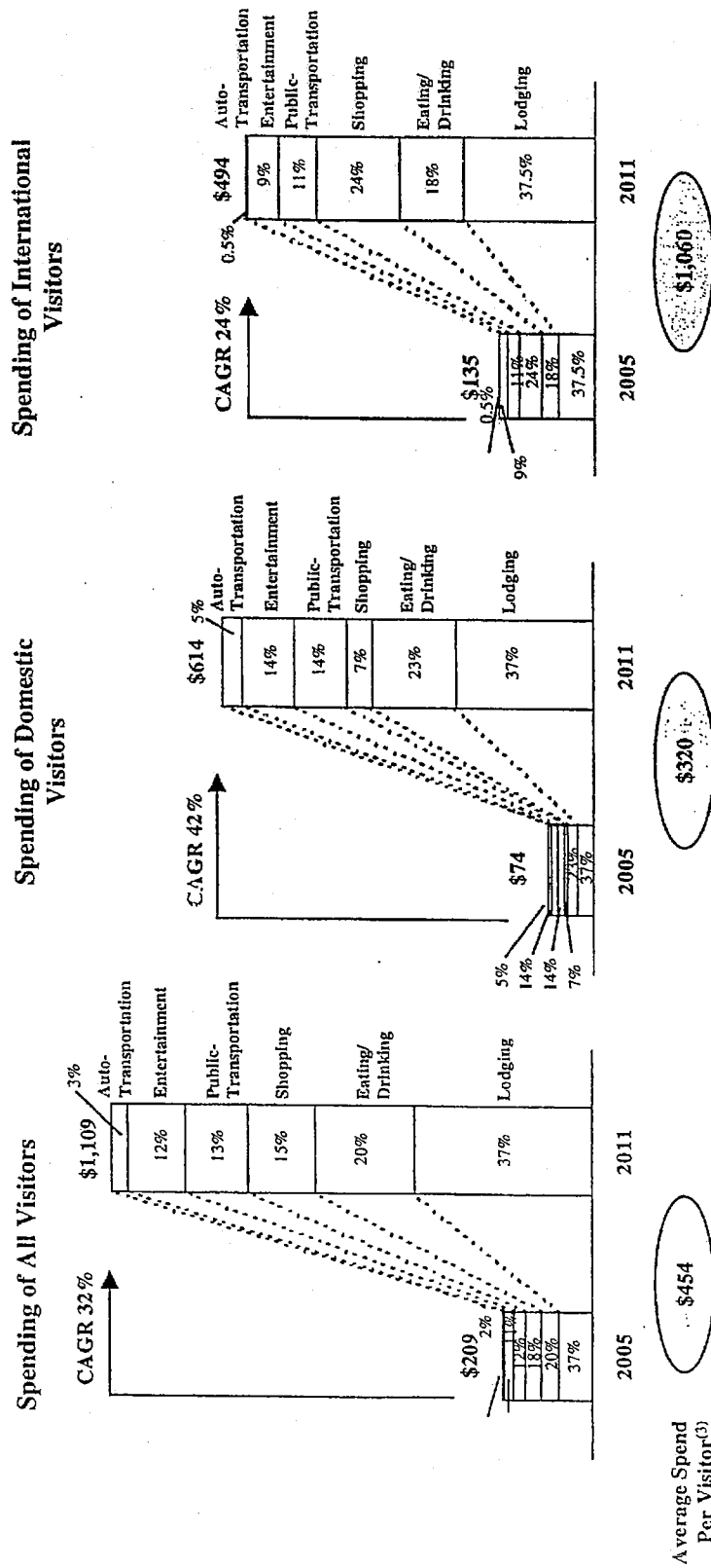
(2) Estimated based on a survey conducted by Audience Research and Analysis for The Alliance for Downtown Sources: NYC & Company (NYC Tourism authority); Alliance for Downtown; Audience Research & Analysis; Attraction websites

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The mix of domestic and international tourists attracted to Downtown will also influence the level of additional spending

Incremental Visitor Spending Downtown – Base Case Scenario^{(1) (2)} (\$Millions)



Notes: (1) Visitor spending breakdowns by category assumed to be the same as percentage breakdowns in 2000

(2) Total visitor spending for all of NYC in 2000 was \$17 billion which includes \$9.8 billion in Domestic and \$7.2 billion in International spending

(3) Average spend per visitor is assumed to be the same as average spend per visitor in 2000

Sources: NYC & Co.; A.T. Kearney analysis

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Visitors Spending (1991 - 2011)

HISTORICAL (1991 - 2009)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Visitors																					
Domestic	1,300,000	2,300,000	2,400,000	2,500,000	2,600,000	2,700,000	2,800,000	2,900,000	3,000,000	3,100,000	3,200,000	3,300,000	3,400,000	3,500,000	3,600,000	3,700,000	3,800,000	3,900,000	4,000,000	4,100,000	4,200,000
International	1,400,000	1,500,000	1,600,000	1,700,000	1,800,000	1,900,000	2,000,000	2,100,000	2,200,000	2,300,000	2,400,000	2,500,000	2,600,000	2,700,000	2,800,000	2,900,000	3,000,000	3,100,000	3,200,000	3,300,000	3,400,000
Total NYC	2,700,000	3,800,000	4,000,000	4,200,000	4,400,000	4,600,000	4,800,000	5,000,000	5,200,000	5,400,000	5,600,000	5,800,000	6,000,000	6,200,000	6,400,000	6,600,000	6,800,000	7,000,000	7,200,000	7,400,000	7,600,000
Visitor Spending																					
Domestic	\$5,343,829,412	\$5,312,221,363	\$5,291,482,353	\$5,270,743,343	\$5,250,004,333	\$5,229,265,323	\$5,208,526,313	\$5,187,787,303	\$5,167,048,293	\$5,146,309,283	\$5,125,570,273	\$5,104,831,263	\$5,084,092,253	\$5,063,353,243	\$5,042,614,233	\$5,021,875,223	\$5,001,136,213	\$4,980,397,203	\$4,959,658,193	\$4,938,919,183	\$4,918,180,173
International	\$4,079,870,543	\$4,059,031,533	\$4,038,192,523	\$4,017,353,513	\$4,000,000,503	\$3,982,647,493	\$3,965,294,483	\$3,947,941,473	\$3,930,588,463	\$3,913,235,453	\$3,895,882,443	\$3,878,529,433	\$3,861,176,423	\$3,843,823,413	\$3,826,470,403	\$3,809,117,393	\$3,791,764,383	\$3,774,411,373	\$3,757,058,363	\$3,739,705,353	\$3,722,352,343
Total NYC	\$9,423,700,000	\$9,371,252,896	\$9,329,674,876	\$9,288,096,856	\$9,247,504,836	\$9,206,912,816	\$9,166,320,796	\$9,125,728,776	\$9,085,136,756	\$9,044,544,736	\$9,003,952,716	\$8,963,360,696	\$8,922,768,676	\$8,882,176,656	\$8,841,584,636	\$8,800,992,616	\$8,760,400,596	\$8,719,808,576	\$8,679,216,556	\$8,638,624,536	\$8,598,032,516
Avg. Spend per Visitor																					
Domestic	\$200	\$230	\$220	\$212	\$207	\$200	\$193	\$186	\$179	\$172	\$165	\$158	\$151	\$144	\$137	\$130	\$123	\$116	\$109	\$102	\$95
International	\$294	\$270	\$250	\$239	\$231	\$222	\$213	\$204	\$195	\$186	\$177	\$168	\$159	\$150	\$141	\$132	\$123	\$114	\$105	\$96	\$87
Total NYC	\$242	\$254	\$235	\$225	\$219	\$211	\$200	\$190	\$182	\$176	\$170	\$164	\$157	\$150	\$143	\$136	\$129	\$122	\$115	\$108	\$101
Visitor Spending (%)																					
Domestic	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%
International	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%
Deviation as a % of Total	22%																				
Total Visitors																					
Domestic	3,772,021	4,842,213	4,942,040	5,041,867	5,141,694	5,241,521	5,341,348	5,441,175	5,541,002	5,640,829	5,740,656	5,840,483	5,940,310	6,040,137	6,139,964	6,239,791	6,339,618	6,439,445	6,539,272	6,639,099	6,738,926
International	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020
Total Deviation	4,959,041	6,029,233	6,129,060	6,228,887	6,328,714	6,428,541	6,528,368	6,628,195	6,728,022	6,827,849	6,927,676	7,027,503	7,127,330	7,227,157	7,326,984	7,426,811	7,526,638	7,626,465	7,726,292	7,826,119	7,925,946

PROJECTED (2012 - 2015)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Total Visitors																					
Domestic	4,300,000	4,400,000	4,500,000	4,600,000	4,700,000	4,800,000	4,900,000	5,000,000	5,100,000	5,200,000	5,300,000	5,400,000	5,500,000	5,600,000	5,700,000	5,800,000	5,900,000	6,000,000	6,100,000	6,200,000	6,300,000
International	1,500,000	1,600,000	1,700,000	1,800,000	1,900,000	2,000,000	2,100,000	2,200,000	2,300,000	2,400,000	2,500,000	2,600,000	2,700,000	2,800,000	2,900,000	3,000,000	3,100,000	3,200,000	3,300,000	3,400,000	3,500,000
Total NYC	5,800,000	6,000,000	6,200,000	6,400,000	6,600,000	6,800,000	7,000,000	7,200,000	7,400,000	7,600,000	7,800,000	8,000,000	8,200,000	8,400,000	8,600,000	8,800,000	9,000,000	9,200,000	9,400,000	9,600,000	9,800,000
Visitor Spending																					
Domestic	\$5,343,829,412	\$5,312,221,363	\$5,291,482,353	\$5,270,743,343	\$5,250,004,333	\$5,229,265,323	\$5,208,526,313	\$5,187,787,303	\$5,167,048,293	\$5,146,309,283	\$5,125,570,273	\$5,104,831,263	\$5,084,092,253	\$5,063,353,243	\$5,042,614,233	\$5,021,875,223	\$5,001,136,213	\$4,980,397,203	\$4,959,658,193	\$4,938,919,183	\$4,918,180,173
International	\$4,079,870,543	\$4,059,031,533	\$4,038,192,523	\$4,017,353,513	\$4,000,000,503	\$3,982,647,493	\$3,965,294,483	\$3,947,941,473	\$3,930,588,463	\$3,913,235,453	\$3,895,882,443	\$3,878,529,433	\$3,861,176,423	\$3,843,823,413	\$3,826,470,403	\$3,809,117,393	\$3,791,764,383	\$3,774,411,373	\$3,757,058,363	\$3,739,705,353	\$3,722,352,343
Total NYC	\$9,423,700,000	\$9,371,252,896	\$9,329,674,876	\$9,288,096,856	\$9,247,504,836	\$9,206,912,816	\$9,166,320,796	\$9,125,728,776	\$9,085,136,756	\$9,044,544,736	\$9,003,952,716	\$8,963,360,696	\$8,922,768,676	\$8,882,176,656	\$8,841,584,636	\$8,800,992,616	\$8,760,400,596	\$8,719,808,576	\$8,679,216,556	\$8,638,624,536	\$8,598,032,516
Avg. Spend per Visitor																					
Domestic	\$200	\$230	\$220	\$212	\$207	\$200	\$193	\$186	\$179	\$172	\$165	\$158	\$151	\$144	\$137	\$130	\$123	\$116	\$109	\$102	\$95
International	\$294	\$270	\$250	\$239	\$231	\$222	\$213	\$204	\$195	\$186	\$177	\$168	\$159	\$150	\$141	\$132	\$123	\$114	\$105	\$96	\$87
Total NYC	\$242	\$254	\$235	\$225	\$219	\$211	\$200	\$190	\$182	\$176	\$170	\$164	\$157	\$150	\$143	\$136	\$129	\$122	\$115	\$108	\$101
Visitor Spending (%)																					
Domestic	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%
International	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%
Deviation as a % of Total	22%																				
Total Visitors																					
Domestic	3,772,021	4,842,213	4,942,040	5,041,867	5,141,694	5,241,521	5,341,348	5,441,175	5,541,002	5,640,829	5,740,656	5,840,483	5,940,310	6,040,137	6,139,964	6,239,791	6,339,618	6,439,445	6,539,272	6,639,099	6,738,926
International	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020	1,187,020
Total Deviation	4,959,041	6,029,233	6,129,060	6,228,887	6,328,714	6,428,541	6,528,368	6,628,195	6,728,022	6,827,849	6,927,676	7,027,503	7,127,330	7,227,157	7,326,984	7,426,811	7,526,638	7,626,465	7,726,292	7,826,119	7,925,946

Visitor Spending by Category (2010, 2011)

	Total Visitor	Domestic	International
Lodging	28.2	27.1	27.2
Eating & Drinking	23.8	23.8	23.8
Shopping	22.4	22.4	22.4
Public Transportation	22.2	22.2	22.2
Entertainment & Recreation	22.0	22.0	22.0
Auto Transportation	20.5	20.5	20.5
Total	177.8	177.8	177.8

Visitor Spending by Category (Base Case)

	Total Visitor	Domestic	International
Lodging	28.2	27.1	27.2
Eating & Drinking	23.8	23.8	23.8
Shopping	22.4	22.4	22.4
Public Transportation	22.2	22.2	22.2
Entertainment & Recreation	22.0	22.0	22.0
Auto Transportation	20.5	20.5	20.5
Total	177.8	177.8	177.8

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Vehicle Spending by Category (Output for Month)

Basic Case	2004	2005	2007	2008	2008	2010	2011
Lodging	\$77,744,410	\$105,946,346	\$177,003,209	\$228,903,577	\$207,826,488	\$357,954,248	\$411,112,048
Eating & Drinking	\$40,970,890	\$47,925,979	\$86,423,187	\$126,526,078	\$138,241,803	\$191,341,186	\$227,364,007
Shopping	\$28,910,633	\$34,610,723	\$73,218,336	\$83,062,758	\$113,363,307	\$126,399,960	\$158,243,448
Public Transportation	\$26,000,872	\$43,133,038	\$61,240,201	\$80,375,508	\$103,548,886	\$121,333,104	\$144,463,273
Entertainment & Recreation	\$22,382,248	\$38,762,173	\$53,090,715	\$72,725,106	\$11,406,967	\$118,704,708	\$121,387,861
Air Transportation	\$1,371,131	\$8,823,046	\$73,340,812	\$18,127,217	\$23,706,813	\$18,557,112	\$24,707,844
Total	\$208,799,317	\$304,604,380	\$549,421,441	\$649,790,861	\$779,248,350	\$1,027,483,248	\$1,154,628,281
Transportation (Public + Air)	\$20,567,515	\$51,956,083	\$124,681,624	\$98,502,724	\$125,255,699	\$140,890,217	\$176,195,705
Discretionary Case							
Lodging	\$100,465,280	\$229,150,070	\$372,263,814	\$289,354,285	\$492,758,727	\$585,865,190	\$702,174,248
Eating & Drinking	\$51,941,841	\$124,603,030	\$189,327,371	\$211,721,817	\$289,724,210	\$325,454,259	\$383,246,413
Shopping	\$72,881,258	\$108,060,282	\$132,344,505	\$184,634,850	\$189,877,208	\$227,012,684	\$277,027,233
Public Transportation	\$24,091,366	\$78,755,882	\$107,488,828	\$136,281,143	\$171,282,567	\$204,796,812	\$244,127,270
Entertainment & Recreation	\$43,187,136	\$88,781,287	\$94,188,844	\$124,507,323	\$154,903,903	\$187,482,354	\$222,415,344
Air Transportation	\$5,023,841	\$18,626,873	\$12,878,313	\$20,989,458	\$36,408,327	\$47,141,581	\$58,301,704
Total	\$317,489,622	\$647,958,414	\$840,752,086	\$774,872,386	\$1,229,812,029	\$1,584,732,882	\$1,948,087,088
Transportation (Public + Air)	\$61,026,021	\$141,382,488	\$125,146,232	\$167,267,581	\$207,727,894	\$252,838,463	\$292,428,974
Discretionary Case							
Lodging	\$28,872,800	\$83,378,006	\$49,279,271	\$116,013,297	\$143,816,598	\$172,718,282	\$202,750,142
Eating & Drinking	\$20,145,469	\$24,206,884	\$44,891,827	\$63,857,513	\$79,717,023	\$95,260,220	\$112,208,798
Shopping	\$18,408,316	\$27,438,101	\$26,776,987	\$46,482,796	\$56,564,838	\$87,085,700	\$78,005,483
Public Transportation	\$13,008,827	\$31,787,288	\$38,827,970	\$49,435,454	\$58,222,918	\$69,802,438	\$75,286,315
Entertainment & Recreation	\$19,297,784	\$16,471,732	\$27,829,847	\$26,344,148	\$43,727,779	\$38,290,043	\$63,188,790
Air Transportation	\$2,253,970	\$1,476,440	\$5,707,519	\$9,121,171	\$11,601,933	\$13,231,878	\$18,394,362
Total	\$104,986,158	\$179,368,438	\$126,223,459	\$312,655,379	\$387,652,186	\$466,290,853	\$548,425,888
Transportation (Public + Air)	\$18,256,756	\$34,263,731	\$27,711,814	\$58,558,606	\$69,824,847	\$74,884,315	\$84,281,277

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Tourism Jobs (1996 - 2010)

HISTORICAL (1996 - 2000)						CAGR:
	1996	1997	1998	1999	2000	4-Yr
Total Visitors						
Domestic	23,400,000	26,900,000	27,000,000	30,100,000	30,800,000	8.9%
International	5,723,000	6,122,000	8,009,000	6,554,000	6,780,000	4.3%
Total	29,123,000	33,022,000	35,009,000	36,654,000	37,580,000	6.4%
NYC Jobs Supported						
Direct						
Indirect						
Total	222,400	238,500	250,300	264,400	281,900	
Correlation Analysis						Coefficient
Total Visitors	29,123,000	33,022,000	35,009,000	36,654,000	37,580,000	0.95
Jobs Supported	222,400	238,500	250,300	264,400	281,900	
Estimated Jobs per Visitor	0.0076	0.0072	0.0076	0.0072	0.0075	Average 0.0074

PROJECTED (2001 - 2010)											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Visitors Downtown											
Base Case	7,081,068	7,158,960	7,237,709	7,454,840	8,037,357	8,415,112	8,810,823	9,224,722	9,658,284	10,112,223	10,587,496
Optimistic Case	7,081,068	7,158,960	7,237,709	7,454,840	8,396,228	8,903,587	9,505,336	10,113,678	10,780,953	11,448,854	12,182,432
Pessimistic Case	7,081,068	7,158,960	7,237,709	7,454,840	7,837,921	8,093,659	8,306,468	8,586,562	8,844,159	9,109,464	9,382,769
No Rebuilding	7,081,068	7,158,960	7,237,709	7,454,840	7,878,465	7,762,949	7,846,341	7,904,673	8,021,954	8,110,196	8,199,406
Change in Visitors Downtown											
Base Case		77,892	78,749	217,131	582,517	377,756	395,510	414,089	433,562	453,839	475,274
Optimistic Case		77,892	78,749	217,131	941,366	537,269	571,750	606,342	647,275	688,701	732,778
Pessimistic Case		77,892	78,749	217,131	403,081	235,738	242,810	250,084	257,597	265,325	273,285
No Rebuilding		77,892	78,749	217,131	223,845	84,463	85,392	86,332	87,281	88,241	89,212
Incremental Annual New Visitors Downtown											
Base Case		0	0	0	358,871	293,292	310,118	327,768	346,281	365,896	386,002
Optimistic Case		0	0	0	717,743	452,895	488,387	520,010	558,894	600,459	643,566
Pessimistic Case		0	0	0	179,436	151,274	157,417	163,762	170,315	177,083	184,072
No Rebuilding		0	0	0	0	0	0	0	0	0	0
Incremental Annual New Jobs Downtown											
Base Case		0	0	0	2,665	2,178	2,311	2,434	2,572	2,716	2,867
Optimistic Case		0	0	0	5,331	3,364	3,612	3,877	4,159	4,460	4,780
Pessimistic Case		0	0	0	1,333	1,124	1,169	1,215	1,265	1,315	1,367
No Rebuilding		0	0	0	0	0	0	0	0	0	0
Total Incremental New Jobs Downtown (Direct & Indirect)											
Base Case		0	0	0	2,665	4,844	7,147	9,581	12,153	14,870	17,737
Optimistic Case		0	0	0	5,331	8,695	12,307	16,184	20,343	24,823	29,583
Pessimistic Case		0	0	0	1,333	2,456	3,625	4,842	6,107	7,422	8,789
No Rebuilding		0	0	0	0	0	0	0	0	0	0
Total NYC Jobs Supported by Tourism - 2000											
Direct		145,900									
Indirect		136,000									
Total		281,900									
Direct as % of Total	51.8%										
Total Incremental New Jobs Downtown (Direct Only)											
Base Case		0	0	0	1,360	2,507	3,699	4,959	6,290	7,696	9,180
Optimistic Case		0	0	0	2,759	4,500	6,370	8,376	10,529	12,837	15,311
Pessimistic Case		0	0	0	690	1,271	1,876	2,506	3,161	3,841	4,549
No Rebuilding		0	0	0	0	0	0	0	0	0	0

Total NYC Tourism Related Jobs by Sector - Sept. 2001

Lodging	41.6	10.8%
Eating & Drinking	166.2	42.3%
Shopping	79.9	20.4%
Entertainment & Recreation	60.3	15.4%
Transportation	44.5	11.3%
Total	392.5	100.0%

Total Incremental New Jobs Downtown by Sector (Direct Only) - Input for Model

	2005	2006	2007	2008	2009	2010	2011
Base Case							
Lodging	145	266	392	525	667	816	973
Eating & Drinking	584	1,062	1,566	2,100	2,663	3,259	3,887
Shopping	281	510	753	1,009	1,280	1,567	1,869
Entertainment & Recreation	212	385	568	762	966	1,182	1,410
Transportation	156	284	419	562	713	873	1,041
Total	1,380	2,507	3,699	4,959	6,290	7,696	9,180
Optimistic Case							
Lodging	292	477	675	886	1,116	1,361	1,623
Eating & Drinking	1,168	1,935	2,697	3,547	4,458	5,430	6,463
Shopping	562	916	1,297	1,795	2,143	2,613	3,117
Entertainment & Recreation	424	691	979	1,287	1,618	1,972	2,352
Transportation	313	510	722	952	1,194	1,455	1,726
Total	2,759	4,500	6,370	8,376	10,529	12,837	15,311
Pessimistic Case							
Lodging	73	135	199	266	335	407	482
Eating & Drinking	292	538	795	1,061	1,338	1,627	1,926
Shopping	140	259	382	510	643	782	926
Entertainment & Recreation	106	195	286	385	486	590	699
Transportation	79	144	213	281	358	436	515
Total	690	1,271	1,876	2,504	3,161	3,841	4,549

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- Introduction
- Assessment of the NYC Commercial Property Market and Implications
- Economic Impact of Rebuilding the World Trade Center
- Implications of Building Delays and Suggested Next Steps
- Appendix

Implications of Building Delays and Suggested Next Steps

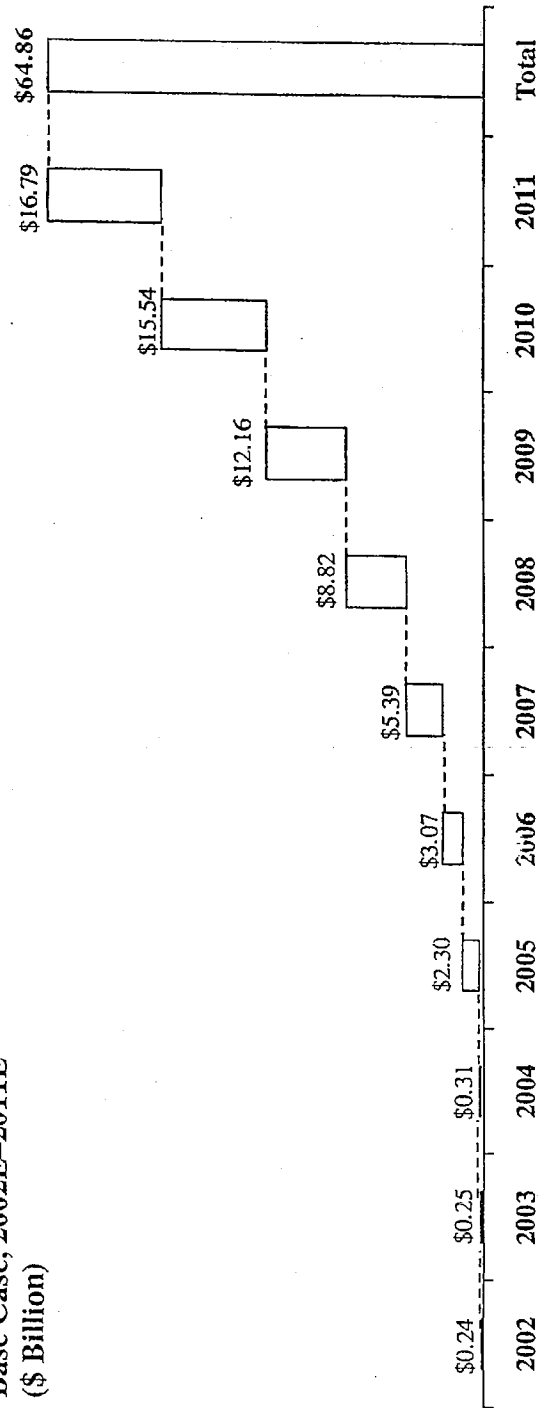
- Delaying the rebuilding effort could impede the Downtown recovery, potentially spurring the exodus of businesses and residents from Downtown and limiting the contribution to the City's Gross City Product (GCP)
 - Delaying the rebuild of the WTC by one year could lead to a loss of \$2.2 billion⁽¹⁾ in incremental GCP for Downtown and a loss of \$405 million⁽¹⁾ in incremental GCP for the City
 - Further job loss could occur in the near term in Downtown as a result of delaying the rebuild of the WTC as business and residents leave the city for more affordable nearby environs
- Short-term incentives may need to be introduced to both existing businesses and residents to slow migration from Downtown and the City until the WTC can be rebuilt
- Going forward, Silverstein Properties should discuss the impact of rebuilding the WTC with various constituencies in order to address concerns with a fact-based assessment

Notes:

(1) New York City GCP impact is less than that of Downtown since Downtown economic activity impact is partially due to shifting of activity from other parts of New York City. While this relocation of economic activity represents a gain to Downtown, it is not a gain for New York City overall

While some constituents would suggest a more measured pace to the redevelopment of the WTC, so as not to disrupt the market forces that have pushed rental costs per square foot to an all-time high, doing so would significantly impede the Downtown recovery...

Annual Incremental GCP Impact⁽¹⁾ Of Rebuilding The WTC On Downtown
Base Case, 2002E-2011E
(\$ Billion)



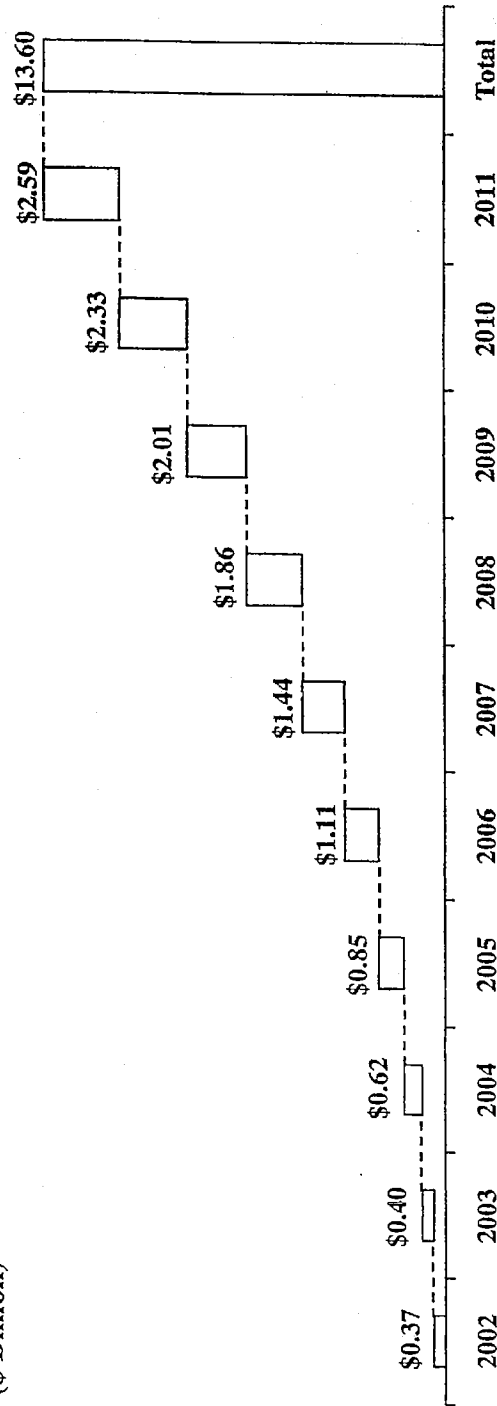
Notes: (1) Sum of direct and indirect GCP impact
Source: IMPLAN model; A.T. Kearney analysis

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...as well as affect the City recovery in the near term

**Annual Incremental GCP Impact⁽¹⁾ Of Rebuilding The WTC On New York City
Base Case, 2002E-2011E
(\$ Billion)**



Notes: (1) Sum of direct and indirect GCP impact
Source: IMPLAN model; A.T. Kearney analysis

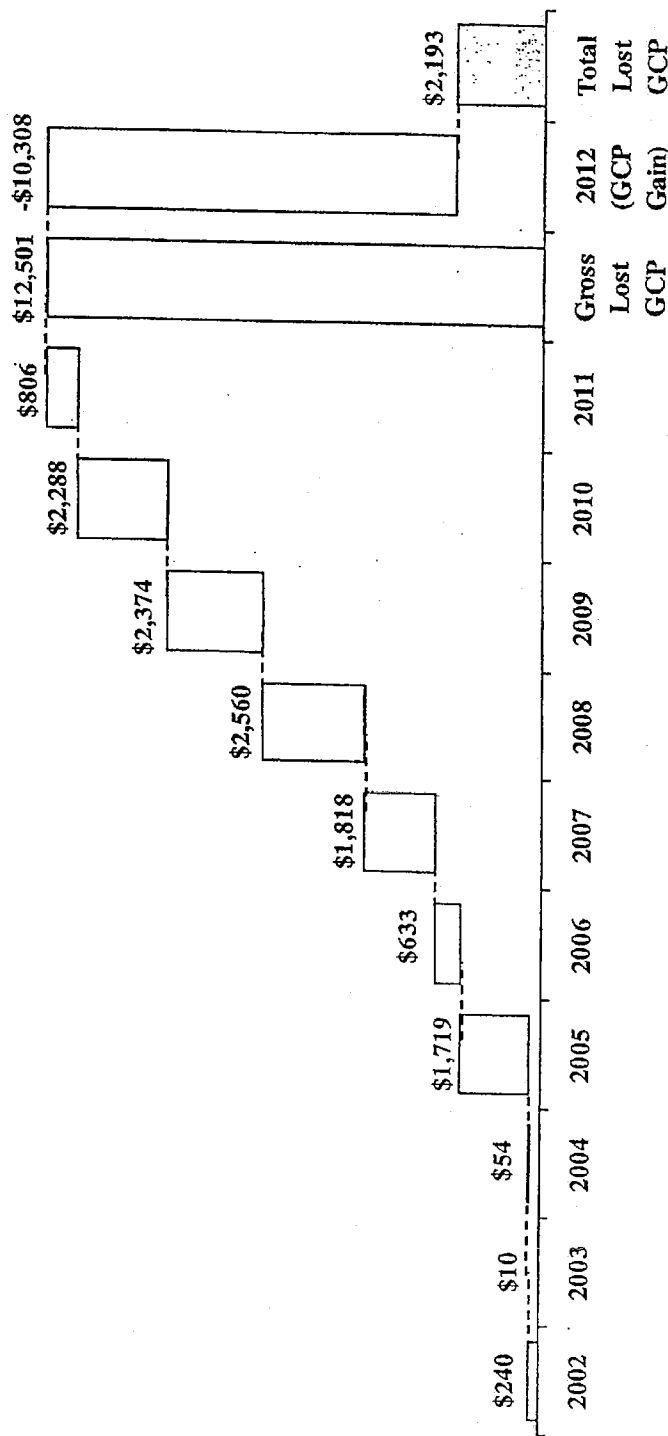
BASE CASE

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		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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Delaying the rebuild of the WTC by one year could lead to a loss of \$2.2 billion⁽¹⁾ in incremental GCP for Downtown

Estimated Loss In Downtown GCP Due To One Year Delay In Rebuilding (\$ Million)



Note:

(1) Job creation and spending are delayed by one year, leading to an annual economic difference between the base and delayed case. These differences were discounted at 5 percent to get the value in today's dollars. The incremental loss of \$2.2 billion for a one-year delay represents approximately 3 percent of the Downtown GCP IMPLAN model; AT Kearney analysis

Sources:

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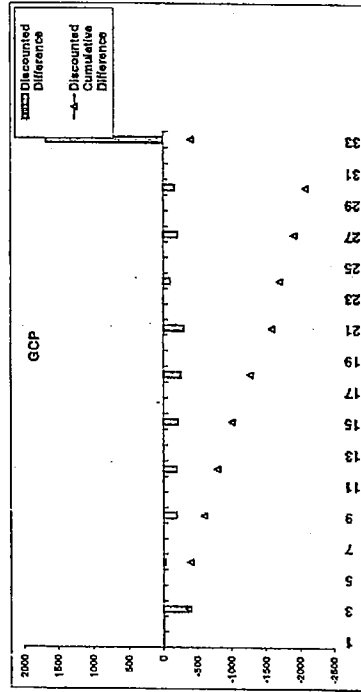
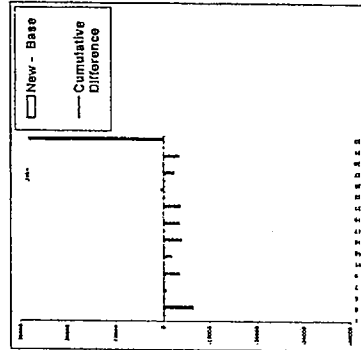
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BASE CASE

	TOTAL
2002	4,330
2003	372,060
2004	8,749
2005	402,87
2006	15,124
2007	602,44
2008	11,921
2009	812,81
2010	15,782
2011	1,113,44
2012	11,259
TOTAL JOBS	1,422,81
TOTAL GCP	22,821
2002	1,882,21
2003	22,00
2004	3,114,8
2005	2,462
2006	2,408
2007	2,408
2008	2,408
2009	2,408
2010	2,408
2011	2,408
2012	2,408

	New - Base	Cumulative Difference
2002	(6,350)	(6,350)
2003	(479)	(6,829)
2004	(3,375)	(10,204)
2005	(1,742)	(11,946)
2006	(3,417)	(15,363)
2007	(3,676)	(19,039)
2008	(485)	(19,524)
2009	(2,260)	(21,784)
2010	(8,439)	(30,223)
2011	28,098	(2,125)
2012		

	Discounted Base	New - Base	Discounted Difference	Cumulative Difference	Discounted Cumulative Difference
2002	372	(372)	(0)	(372)	(372)
2003	403	(311)	(91)	(463)	(835)
2004	621	(218)	(403)	(866)	(1,291)
2005	851	(230)	(621)	(1,487)	(2,778)
2006	1,113	(283)	(832)	(2,319)	(5,097)
2007	1,443	(359)	(1,086)	(3,405)	(8,503)
2008	1,859	(477)	(1,382)	(4,787)	(12,285)
2009	2,012	(525)	(1,487)	(6,274)	(16,769)
2010	2,335	(623)	(1,662)	(7,936)	(21,705)
2011	2,592	(637)	(1,855)	(9,791)	(27,500)
2012		2,592	2,592	(7,199)	(14,301)

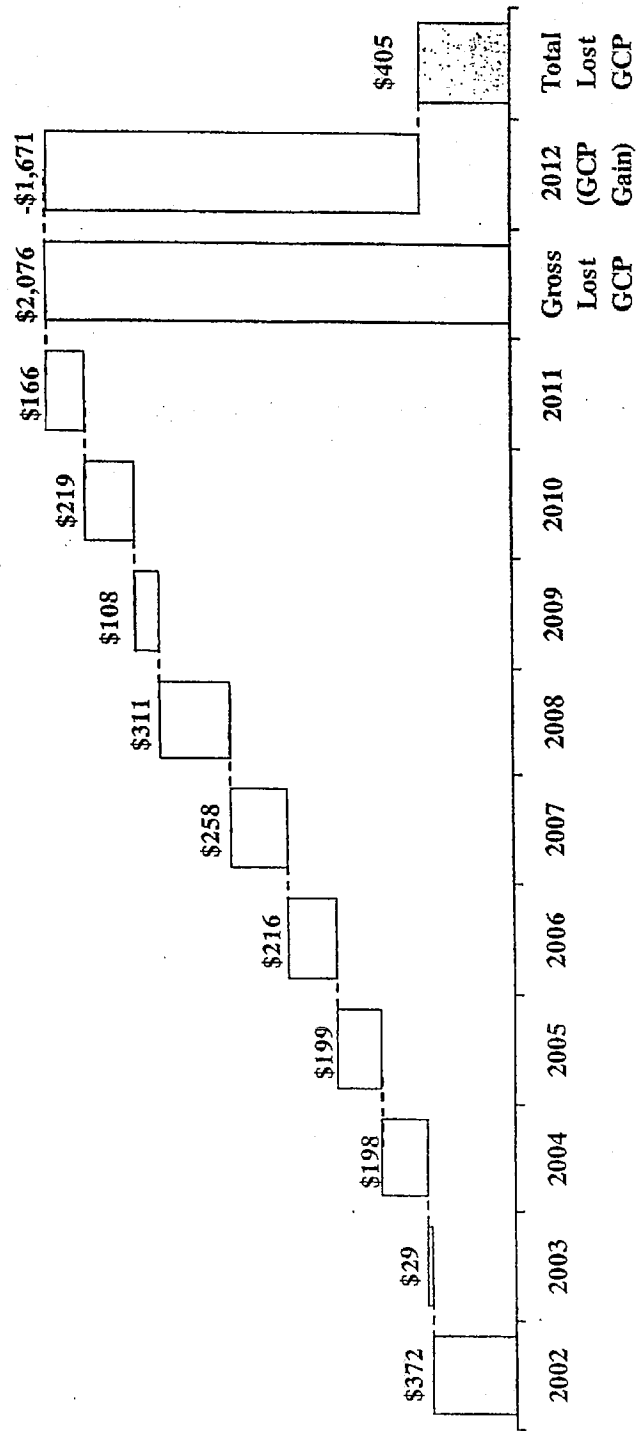


	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Discounted Base	372	403	621	851	1,113	1,443	1,859	2,012	2,335	2,592	
New - Base	(6,350)	(479)	(3,375)	(1,742)	(3,417)	(3,676)	(485)	(2,260)	(8,439)	28,098	
Discounted Difference	(6,350)	(479)	(3,375)	(1,742)	(3,417)	(3,676)	(485)	(2,260)	(8,439)	28,098	
Cumulative Difference	(6,350)	(6,829)	(10,204)	(11,946)	(15,363)	(19,039)	(19,524)	(21,784)	(30,223)	(2,125)	
Discounted Cumulative Difference	(372)	(835)	(1,291)	(2,778)	(5,097)	(8,503)	(12,285)	(16,769)	(21,705)	(14,301)	

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Similarly, delaying the rebuild of the WTC by one year could lead to a loss of \$405 million⁽¹⁾ in incremental GCP for the City over the period

Estimated Loss In New York GCP Due To One Year Delay In Rebuilding (\$ Million)



Note: (1) Job creation and spending are delayed by one year, leading to an annual economic difference between the base and delayed case. These differences were discounted at a 5 percent rate to get the values in today's dollars

Sources: IMPLAN model; AT Kearney analysis

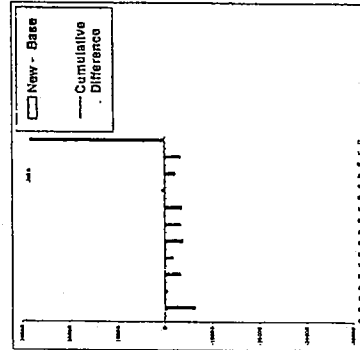
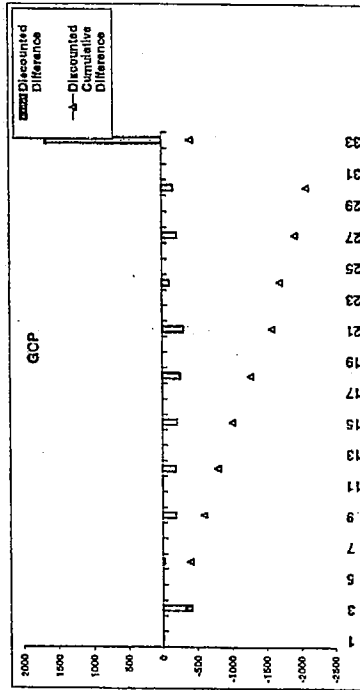
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BASE CASE

	TOTAL
2002	TOTAL JOBS
2003	TOTAL JOBS
2004	TOTAL JOBS
2005	TOTAL JOBS
2006	TOTAL JOBS
2007	TOTAL JOBS
2008	TOTAL JOBS
2009	TOTAL JOBS
2010	TOTAL JOBS
2011	TOTAL JOBS
2012	TOTAL JOBS
2002	TOTAL JOBS
2003	TOTAL JOBS
2004	TOTAL JOBS
2005	TOTAL JOBS
2006	TOTAL JOBS
2007	TOTAL JOBS
2008	TOTAL JOBS
2009	TOTAL JOBS
2010	TOTAL JOBS
2011	TOTAL JOBS
2012	TOTAL JOBS

	New - Base	Cumulative Difference
2002	(8,320)	(8,320)
2003	(473)	(8,793)
2004	(3,315)	(12,108)
2005	(1,747)	(13,855)
2006	(3,871)	(17,726)
2007	(3,417)	(21,143)
2008	(3,618)	(24,761)
2009	465	(24,296)
2010	(2,360)	(26,656)
2011	(2,439)	(29,095)
2012	28,099	-

	Discounted Base	New - Base	Discounted Difference	Cumulative Difference	Discounted Cumulative Difference
2002	\$ 372	\$ (372)	\$ (72)	\$ (72)	\$ (72)
2003	\$ 403	\$ (31)	\$ (372)	\$ (403)	\$ (475)
2004	\$ 621	\$ (218)	\$ (839)	\$ (839)	\$ (1,314)
2005	\$ 851	\$ (230)	\$ (1,081)	\$ (1,081)	\$ (2,395)
2006	\$ 1,113	\$ (283)	\$ (1,396)	\$ (1,396)	\$ (3,791)
2007	\$ 1,443	\$ (329)	\$ (1,772)	\$ (1,772)	\$ (5,563)
2008	\$ 1,859	\$ (417)	\$ (2,276)	\$ (2,276)	\$ (7,839)
2009	\$ 2,012	\$ (152)	\$ (1,860)	\$ (1,860)	\$ (9,699)
2010	\$ 2,335	\$ (323)	\$ (2,012)	\$ (2,012)	\$ (11,711)
2011	\$ 2,552	\$ (357)	\$ (2,195)	\$ (2,195)	\$ (13,906)
2012	\$ -	\$ 2,552	\$ 2,552	\$ -	\$ (11,354)

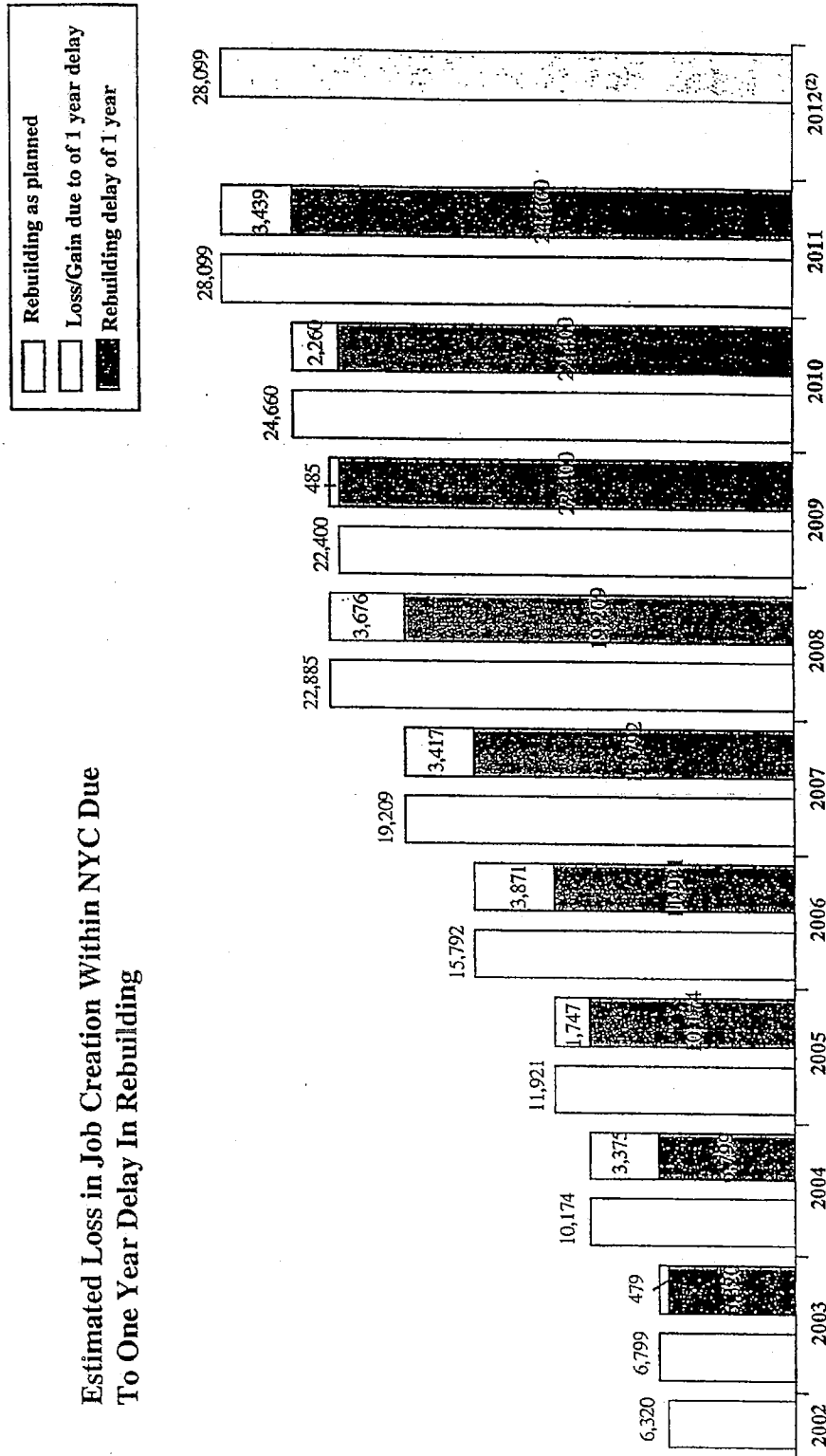


2002	0.24	(0.24)	(0.01)	(0.01)
2003	0.25	(0.01)	(0.01)	(0.02)
2004	0.31	(0.06)	(0.06)	(0.08)
2005	2.50	(1.99)	(1.99)	(2.07)
2006	3.07	(0.77)	(0.77)	(2.84)
2007	6.22	(3.34)	(3.34)	(6.18)
2008	12.18	(5.84)	(5.84)	(12.02)
2009	15.54	(3.36)	(3.36)	(15.38)
2010	16.79	(1.25)	(1.25)	(16.63)
2011	16.79	16.79	16.79	33.42
2012				

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The impact of delaying the rebuilding by one year on job creation is also significant

Estimated Loss in Job Creation Within NYC Due To One Year Delay In Rebuilding



Note: (1) The rebuilding schedule assumes construction begins June 2002, WTC 7 complete March 2005, Tower 1 complete Jan 2007, Tower 2 complete Jan 2008, Tower 3 complete Jan 2009, and Tower 4 complete Jan 2010

Sources: (2) Significant gain during 2012 represents the benefit shifted from 2011
IMPLAN model; AT Kearney analysis

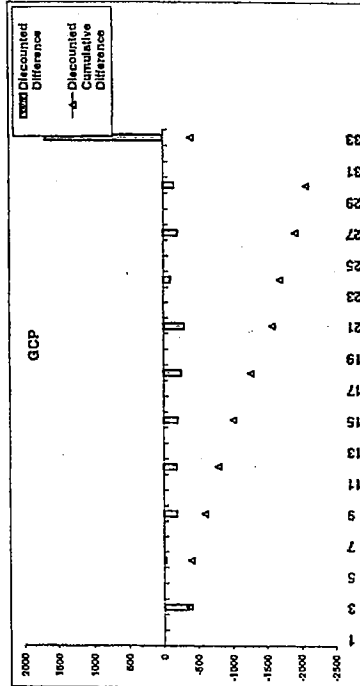
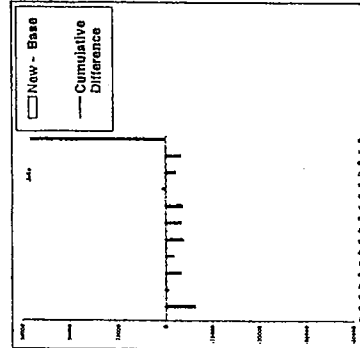
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BASE CASE

	TOTAL
2002	TOTAL JOBS 6,320
2003	TOTAL GCP 372.00
2004	TOTAL JOBS 4,789
2005	TOTAL GCP 402.87
2006	TOTAL JOBS 70,124
2007	TOTAL GCP 4,839.89
2008	TOTAL JOBS 11,921
2009	TOTAL GCP 1,931.41
2010	TOTAL JOBS 15,722
2011	TOTAL GCP 1,113.88
2012	TOTAL JOBS 1,422.28
2013	TOTAL GCP 2,741.11
2014	TOTAL JOBS 32,420
2015	TOTAL GCP 2,011.88
2016	TOTAL JOBS 24,840
2017	TOTAL GCP 2,344.22
2018	TOTAL JOBS 34,099
2019	TOTAL GCP 2,682.00

	New - Base	Cumulative Difference
2002	(6,320)	(6,320)
2003	(478)	(6,798)
2004	(3,715)	(10,513)
2005	(1,747)	(12,260)
2006	(1,971)	(14,231)
2007	(3,416)	(17,647)
2008	(485)	(18,132)
2009	(2,260)	(20,392)
2010	(3,418)	(23,810)
2011	(2,682)	(26,492)
2012	(2,012)	(28,504)

	Discounted Base	New - Base	Discounted Difference	Cumulative Difference	Discounted Cumulative Difference
2002	\$ 372	\$ 372	\$ 0	\$ 372	\$ 372
2003	\$ 478	\$ 478	\$ 0	\$ 850	\$ 850
2004	\$ 3,715	\$ 3,715	\$ 0	\$ 4,565	\$ 4,565
2005	\$ 1,747	\$ 1,747	\$ 0	\$ 6,312	\$ 6,312
2006	\$ 1,971	\$ 1,971	\$ 0	\$ 8,283	\$ 8,283
2007	\$ 3,416	\$ 3,416	\$ 0	\$ 11,699	\$ 11,699
2008	\$ 485	\$ 485	\$ 0	\$ 12,184	\$ 12,184
2009	\$ 2,260	\$ 2,260	\$ 0	\$ 14,444	\$ 14,444
2010	\$ 3,418	\$ 3,418	\$ 0	\$ 17,862	\$ 17,862
2011	\$ 2,682	\$ 2,682	\$ 0	\$ 20,544	\$ 20,544
2012	\$ 2,012	\$ 2,012	\$ 0	\$ 22,556	\$ 22,556



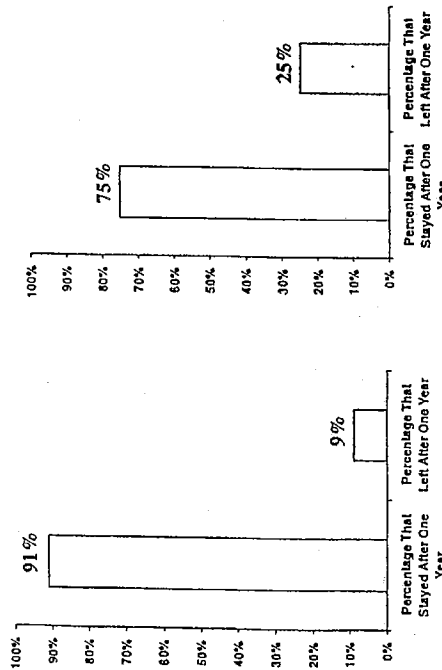
2002	0.24	(0.24)	\$ 372	\$ 372	\$ 0	\$ 372	\$ 372
2003	0.25	(0.01)	\$ 478	\$ 850	\$ 0	\$ 850	\$ 850
2004	0.31	(0.06)	\$ 3,715	\$ 4,565	\$ 0	\$ 4,565	\$ 4,565
2005	0.31	(0.00)	\$ 1,747	\$ 6,312	\$ 0	\$ 6,312	\$ 6,312
2006	0.30	(0.07)	\$ 1,971	\$ 8,283	\$ 0	\$ 8,283	\$ 8,283
2007	0.59	(0.32)	\$ 3,416	\$ 11,699	\$ 0	\$ 11,699	\$ 11,699
2008	0.82	(0.42)	\$ 485	\$ 12,184	\$ 0	\$ 12,184	\$ 12,184
2009	12.15	(9.34)	\$ 2,260	\$ 14,444	\$ 0	\$ 14,444	\$ 14,444
2010	15.54	(3.39)	\$ 3,418	\$ 17,862	\$ 0	\$ 17,862	\$ 17,862
2011	16.79	(1.25)	\$ 2,682	\$ 20,544	\$ 0	\$ 20,544	\$ 20,544
2012	16.79	16.79	\$ 2,012	\$ 22,556	\$ 0	\$ 22,556	\$ 22,556

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Failing to rebuild Downtown quickly could lead to a further exodus of residents and continuing declines in business and tourism revenues, as evidenced by the effects of the Loma Prieta and Northridge earthquakes

Effect of the 1994 Northridge earthquake on residents⁽¹⁾

Homeowners Apartment Renters



Based on the resident breakdown for NYC Downtown
(56% owners, 44% renters), 10-20% of residents
could potentially leave

Effect of the 1989 Loma Prieta earthquake on business and tourism

"The Bay Area went from being the strongest area in the state in terms of retail sales growth to the weakest"⁽²⁾
- Ted Gibson, California Department of Finance

"...damage estimates for Oakland have reached \$1.28 billion. Many downtown stores and buildings are still closed, and business is off 50 percent at the stores still open"⁽³⁾

"...the city's \$3.4 billion tourism industry has been hit hard hit. The number of spouses coming with conventioners and the number of leisure travelers, who account for half of all visitors from outside the region, is down one-third from a year ago."⁽⁴⁾

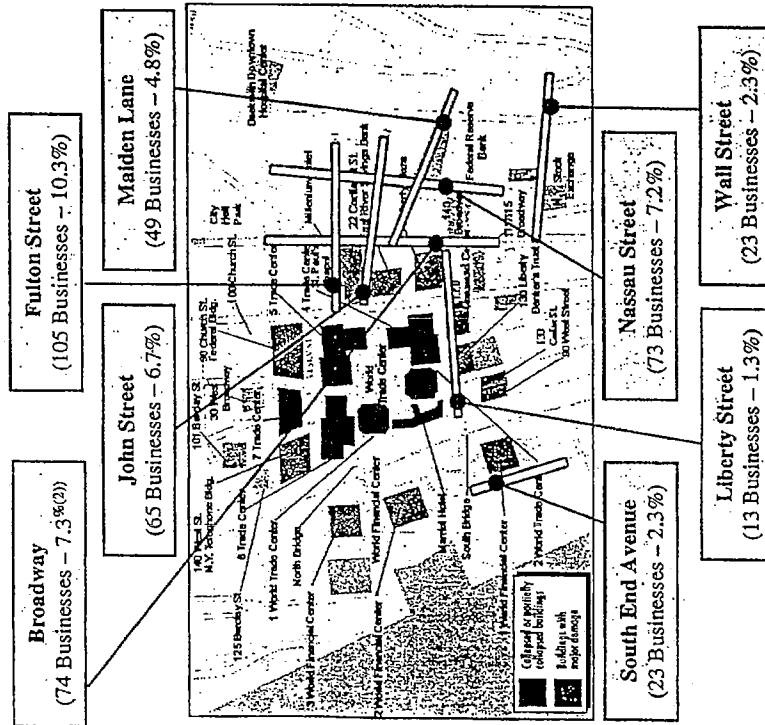
Notes: (1) Results of Los Angeles Times poll of 1,051 residents living in San Fernando and Santa Clarita
(2) Quote from "How Area Firms Survived the Quake", San Francisco Chronicle 10/15/90
(3) "A Tale of Two Cities by the Bay", Newsday 10/14/90
(4) "In California, the Scars of Earth's Fury", The Washington Post, 1/16/90

Source: Los Angeles Times; San Francisco Chronicle; Newsday; The Washington Post; Feathered Nest Midyear 2001 Rental Report

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Over a third of community businesses downtown are at risk, or will suffer significant revenue loss, as the effect of the World Trade Center disaster continues to spread. Not rebuilding or delaying the announcements of plans to rebuild will impair downtown revitalization and reduce the appeal for businesses to return to the area

Downtown Community Businesses at Risk⁽¹⁾



Importance of Rebuilding Downtown

"While it was expected that the small businesses near the site of the World Trade Center would suffer from the terrorist attack on Sept. 11, which displaced 100,000 potential customers from office buildings in the area and thousands more from their homes, wider economic damage from the attack is still rippling outward from ground zero."⁽³⁾
 - New York Times

"Until they replace the World Trade Center with some sort of significant development, I don't know that you are going to get most of the upscale national chains to relocate downtown."⁽⁴⁾
 - Robin Abrams, EVP at Lansco Corp., commercial real-estate brokers

"Among the concerns of Wall Street firms grappling with a return to the Financial District is whether the area will have the usual products and services for their workers."⁽⁵⁾
 - Wall Street Journal

- Notes:
- (1) "Destination Downtown - A Guide to Lower Manhattan", Alliance for Downtown
 - (2) Figures signify percentages of total community businesses Downtown deemed at risk
 - (3) "Ripples of Sept. 11 Widen in Retailing", New York Times, 12/10/01
 - (4) "Venerable Wall Street Jeweler Reopens, But Mood, Neighborhood Have Changed", Wall Street Journal, 12/03/01
 - (5) "The Road Back: WTC Aid Slow To Reach Small Business", Wall Street Journal, 11/15/01
- Source: Alliance for Downtown; Grubb&Ellis; New York Times; Wall Street Journal; A.T. Kearney analysis

Total Companies By Type	Num. Of Companies	
Eating Places	475	40.8%
Clothing/Apparel	170	14.5%
Specialty/Vanity	146	12.5%
Other Services	87	7.5%
Health and Beauty	75	6.4%
Electronics/Equipment	73	6.3%
Other Retail	52	4.5%
Personal Services	51	4.4%
Copying, Printing, Packaging	35	3.1%
Total	1,165	100.0%

Total Small Businesses By Type		
Eating Places	443	43.4%
Clothing/Apparel	121	11.9%
Specialty/Vanity	125	12.3%
Other Services	60	5.9%
Health and Beauty	69	6.8%
Electronics/Equipment	55	5.4%
Other Retail	52	5.1%
Personal Services	51	5.0%
Copying, Printing, Packaging	24	2.4%
Total	1,020	

Total Small Businesses Affected By Type			Revenue Per Day	Days Open per Year	Annual Revenue	Total Revenue			
Eating Places	48	42.9%	\$3,518	343	\$1,206,674	\$37,620,332 F&D	PBS	\$17,927,758	
Clothing/Apparel	18	16.1%	\$3,381	343	\$1,159,683	\$20,874,294 R	Retail	\$53,345,418	
Specialty/Vanity	14	12.5%	\$3,381	343	\$1,159,683	\$18,235,962 R	F&D	\$57,920,302	
Other Services	6	5.4%	\$3,381	343	\$1,159,683	\$0,908,066 PBS		\$129,183,528	
Health and Beauty	8	7.1%	\$3,381	260	\$879,060	\$7,032,480 PBS			
Electronics/Equipment	5	4.5%	\$3,381	343	\$1,159,683	\$5,796,418 R			
Other Retail	9	8.0%	\$3,381	343	\$1,159,683	\$10,437,147 R			
Personal Services	3	2.7%	\$3,381	260	\$879,060	\$2,637,180 PBS			
Copying, Printing, Packaging	1	0.9%	\$5,000	260	\$1,300,000	\$1,300,000 PBS			
Total	112					\$129,183,528			

Number of Businesses By Street	Num. of Businesses	Number Affected	Number Unaffected	% of Total Businesses	% Affected
Fulton Street	107	2	105	10.3%	1.9%
Broadway	75	1	74	7.3%	1.3%
Nassau Street	74	1	73	7.2%	1.4%
John Street	69	1	68	6.4%	1.5%
South Street Seaport	68	0	68	6.4%	0.0%
Mudlen Lane	50	1	49	4.8%	2.0%
World Trade Center	44	44	0	0.0%	100.0%
Pearl Street	41	1	40	3.9%	2.4%
World Financial Center	34	34	0	0.0%	100.0%
Water Street	27	0	27	2.6%	0.0%
South End Avenue	25	2	23	2.3%	8.0%
Wall Street	24	1	23	2.3%	4.2%
Beaver Street	23	1	22	2.2%	4.3%
Broad Street	23	1	22	2.2%	4.3%
Greenwich Street	23	0	23	2.3%	0.0%
Pine Street	20	1	19	1.9%	5.0%
New Street	19	1	18	1.8%	5.3%
Manover Square	18	1	17	1.7%	5.6%
Church Street	17	1	16	1.6%	5.9%
William Street	17	0	17	1.7%	0.0%
Trinity Place	16	2	14	1.4%	12.5%
Liberty Street	14	1	13	1.3%	7.1%
Beekman Street	13	0	13	1.3%	0.0%
Ann Street	12	0	12	1.2%	0.0%
New York Plaza	11	0	11	1.1%	0.0%
Park Place	10	1	9	0.9%	10.0%
Exchange Place	9	0	9	0.9%	0.0%
Rector Street	9	0	9	0.9%	0.0%
West Street	9	3	6	0.6%	33.3%
Cortlandt Street	8	2	6	0.6%	25.0%
Stone Street	7	0	7	0.7%	0.0%
Washington Street	7	1	6	0.6%	14.3%
Cedar Street	8	1	7	0.5%	18.7%
Embeey Sule Hotel	8	0	8	0.6%	0.0%
Murray Street	8	0	8	0.6%	0.0%
Canal Street	5	0	5	0.5%	0.0%
Day Street	5	0	5	0.5%	0.0%
Exchange Plaza	5	0	5	0.5%	0.0%
Thames Street	5	0	5	0.5%	0.0%
Whithall Street	5	0	5	0.5%	0.0%
Burley Street	4	0	4	0.4%	0.0%
Gold Street	4	1	3	0.4%	25.0%
Park Row	4	0	4	0.4%	0.0%
Rector Place	4	0	4	0.4%	0.0%
South William Street	4	0	4	0.4%	0.0%
Battery Place	3	1	2	0.4%	33.3%
Chambers Street	3	1	2	0.2%	33.3%
Front Street	3	0	3	0.3%	0.0%
Other	3	0	3	0.3%	0.0%
Yessy Street	3	0	3	0.3%	0.0%
Bowling Green	2	0	2	0.2%	0.0%
Bridge Street	2	0	2	0.2%	0.0%
Liberty Place	2	0	2	0.2%	0.0%
Seaport Plaza	2	0	2	0.2%	0.0%
West Broadway	2	0	2	0.2%	0.0%
Albany Street	1	0	1	0.1%	0.0%
Battery Park	1	0	1	0.0%	100.0%
Coenties Slip	1	0	1	0.1%	0.0%
Dutch Street	1	0	1	0.1%	0.0%
Greenwich Avenue	1	0	1	0.1%	0.0%
North End Avenue	1	0	1	0.1%	0.0%
State Street	1	0	1	0.1%	0.0%
Varick Street	1	0	1	0.1%	0.0%
Warren Street	1	0	1	0.1%	0.0%
Elis Island	0	0	0	0.0%	0.0%
Liberty Plaza	0	0	0	0.0%	0.0%
Total	1020	112	908		

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The recovery of Downtown could be further stimulated if incentives similar to those offered in other areas in the region were to be offered in Downtown

○ Low
● High

Existing New York Region Subsidy Programs (\$ Per Square Foot)

Item	Downtown	Midtown	Boroughs	New Jersey	Program Effectiveness	Comments
Business Employment Incentive Program (BEIP)	N/A	N/A	N/A	\$7.80 ⁽¹⁾	●	<ul style="list-style-type: none"> New Jersey program that provides cash refund to company of up to 80% of employee state income tax withholding each year for 10 years. Assumption of average salary of \$65,000
Industrial and Commercial Incentive Program (ICIP)	\$10.50	N/A	\$7.00	N/A	●	<ul style="list-style-type: none"> City program allows for an eight year exemption of Real Property taxes in Downtown Manhattan and 15 years in the Boroughs
Energy Programs	\$0.75	N/A	\$0.75	\$1.00	○	<ul style="list-style-type: none"> New York City energy cost savings program eligible in Downtown Manhattan and the Boroughs, reduces delivery costs of electricity by 45% and for gas by 35%, assumption of energy costs at \$2.50 per square foot
Relocation Assistance Program (REAP)	N/A	N/A	\$15.00	N/A	●	<ul style="list-style-type: none"> New York City program provides a \$3,000 per job per year tax credit/refund for jobs relocated from Manhattan south of 96th street to Manhattan north of 96th street, or the Boroughs. Assumption of 200 sq. ft. per employee
Total Incentives	\$11.25	0	\$22.75	\$8.80		

Notes: (1) NJ's incentive maybe larger depending on salary level of employees. Historically WTC employees' salaries exceed \$65K
Source: Group of 35 Final Report
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Going forward, Silverstein Properties should discuss the impact of rebuilding the WTC with various constituencies in order to address concerns with a fact-based assessment

Preliminary

Stakeholder Analysis

Stakeholders	Example Stakeholders	Hot Button Issues	Topics to Explore
Government Agencies	<ul style="list-style-type: none"> City of New York Redevelopment Board Transit Organizations Port Authority 	<ul style="list-style-type: none"> Vitality of Downtown Tax revenues Rebuilding transportation Economic support requirements 	<ul style="list-style-type: none"> Economic benefits of rebuilding Need for transportation hub and timely infrastructure redevelopment Importance of incentives to stimulate rebuilding and stem NJ Waterfront exodus Downtown security measures to assure future attractiveness
Small Business and Retail Advocates	<ul style="list-style-type: none"> Carl Wiesbrod, President of the Alliance for Downtown Downtown civic organizations 	<ul style="list-style-type: none"> Vitality of downtown Stemming migration of businesses Keeping financial services as downtown anchors Near term incentives 	<ul style="list-style-type: none"> Impact on community based businesses and employment Importance to retailers of timely rebuilding Assistance required to keep businesses in place through WTC rebuild Tourism promotions
Developers	<ul style="list-style-type: none"> Brookfield Properties, John Zucotti Boston Properties, Mort Zuckerman 	<ul style="list-style-type: none"> Effect of rebuilding on vacancy and rents Return of businesses and residents Downtown 	<ul style="list-style-type: none"> Forecasted market prices and vacancies with WTC rebuild Positive effects of WTC on maintaining Downtown core that is critical to supporting Midtown

Preliminary

Stakeholder Analysis (Cont'd.)

Stakeholders	Example Stakeholders	Hot Button Issues	Topics to Explore
Major Downtown Tenants	<ul style="list-style-type: none"> • AMEX • Goldman Sachs • Deutsche Bank 	<ul style="list-style-type: none"> • Minimizing business interruptions • Attractiveness of Downtown vs. Midtown, NJ Waterfront, etc. • Transportation issues • Rental prices relative to alternatives 	<ul style="list-style-type: none"> • Future viability of returning Downtown • Outlook on market rental prices • Importance of timely rebuilding on Downtown economy
Urban Planning Advocates	<ul style="list-style-type: none"> • Regional Plan Association, Robert Yaro • Natural Defense Council, Eric Goldstein 	<ul style="list-style-type: none"> • Appropriate and aesthetic use of space • Accelerate rebuilding to minimize redevelopment on waterfront and maintain a central core 	<ul style="list-style-type: none"> • Incorporating WTC rebuild in a larger urban context • Support for accelerating review process to capture environmental benefits
Memorial Advocates	<ul style="list-style-type: none"> • Memorial Process Team, Michael Manfredi • Family members and friends of Sept. 11 casualties 	<ul style="list-style-type: none"> • Dignified memorial not driven solely by commercial interests • Avoiding acrimony and extensive debate 	<ul style="list-style-type: none"> • Share memorial plans • Form a memorial design review board • Economic importance of rebuilding to future Downtown viability

In Summary

Timely rebuilding of the WTC is critical to the restoration of a thriving Downtown community, which, in turn, is a critical element in the economic health of the City of New York as a whole

- Projected demand over the next decade will be sufficient to absorb the anticipated capacity of new Class A office space in Downtown, coming on the market with staggered timing. Rebuilding the WTC should align market prices with pre-2000 levels and enhance Downtown's attractiveness to employers
- The economic impact of rebuilding the WTC extends across numerous sectors of the Downtown economy and is essential to Downtown's vitality and economic health. The City as a whole would benefit as well
 - Components stimulating economic recovery include transportation and utilities infrastructure, direct WTC construction, office tenants, residential, retail, community businesses and tourism
 - Rebuilding is estimated to have an incremental impact on the Gross City Product between 2002-2011 of
 - \$ 65 Billion to Downtown GCP
 - \$ 14 Billion to New York City GCP
 - Rebuilding would also create a significant number of new jobs between 2002 and 2011, generating
 - 74,000 direct jobs Downtown
 - 28,000 direct and indirect jobs in the rest of the City
- Delaying the rebuilding effort could impede the Downtown recovery, potentially spurring the exodus of businesses and residents from Downtown and limiting the contribution to the City's Gross City Product (GCP). It will be important for government and private constituents to work together to quickly restore Downtown's economic health. Examples of actions could include:
 - Participating in development of a visionary long-term plan for the area
 - Providing short-term financial incentives to retain businesses and residents, stimulate rebuilding and stem NJ Waterfront exodus
 - Working with government agencies and interest groups to fast-track necessary approvals
 - Mobilizing the public to support reconstruction work despite inconvenience and personal issues

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- Introduction
- Assessment of the NYC Commercial Property Market and Implications
- Economic Impact of Rebuilding the World Trade Center
- Implications of Building Delays and Suggested Next Steps

■ Appendix

The real estate market model used three economic demand scenarios for the rebuilding schedule of 2.0msf in 2005 and 2.5msf in each of 2007, 2008, 2009, and 2010

Projected Employee Growth Under Different Model Scenarios 2001E – 2010E; 000s

	Year										
	01	02	03	04	05	06	07	08	09	10	CAGR
Pessimistic Scenario (in 000s)											
Employee Growth ⁽¹⁾	850	842	860	865	872	879	886	894	902	910	0.8%
Displaced Tenants ⁽²⁾	0	0	0	0	0	0	0	0	0	0	
Under-represented Industry ⁽³⁾ Growth	0	0	0	0	0	0	0	0	0	0	
TOTAL	850	842	860	865	872	879	886	894	902	910	0.8%
Base Scenario (in 000s)											
Employee Growth	854	848	875	882	891	898	905	917	928	939	1.1%
Displaced Tenants	0	0	2.4	4.8	7.2	9.6	9.6	9.6	9.6	9.6	
Under-represented Industry Growth	0	0	0	0	0	1.1	2.1	3.2	4.3	5.4	
TOTAL	854	845	878	887	898	908	919	932	944	956	1.3%
Optimistic Scenario (in 000s)											
Employee Growth	858	854	891	899	910	917	925	939	953	968	1.3%
Displaced Tenants	0	0	4.8	9.6	14.4	19.2	24	24	24	24	
Under-represented Industry Growth	0	0	0	0	0	4.3	8.6	12.9	17.2	21.5	
TOTAL	858	854	896	909	924	940	957	976	995	1014	1.9%

Notes: (1) Annual total of employees based on macroeconomic factors

(2) Cumulative total of displaced tenants returning to Manhattan

(3) Cumulative total of employees from under-represented industries attracted to Manhattan

Sources: Cushman & Wakefield, A.T. Kearney analysis

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Demand will also be driven, in part, by the City's ability to attract new industries. New York City has an opportunity to rebuild a business community that goes beyond its traditional strengths in financial services and media, expanding into other growth and under-represented sectors

Industries in NYC with Growing Presence in Tri-State Region

Industry Sector	SIC Industry Category	Location	Estimated Office Employees ⁽¹⁾	Space Required (MSF) ⁽²⁾	GSP Growth Rate (1991 - 1999)		Industry as % of GSP	Unique Space Requirements
					5-Yr	8-Yr		
High Technology	Electronic Equipment	Connecticut	8,345	1.8	5.5%	4.5%	2.0%	• Access to high speed data networks
	Business Services ⁽³⁾	New Jersey	115,891	24.9	11.0%	9.4%	6.5%	• Availability of talent
Pharmaceuticals/ Biotechnology	Chemicals	Connecticut	6,893	1.6	9.5%	6.2%	2.0%	• Price sensitive
		New Jersey	29,438	6.7	4.8%	2.8%	4.9%	• Proximity to labs
International/ Domestic Trade	Wholesale Trade	Connecticut	26,894	6.1	5.7%	4.7%	6.4%	• Access to research/ university talent
		New Jersey	91,772	21.0	4.8%	5.5%	9.3%	• Proximity to warehouse facilities
Media/ Communications	Communications	New Jersey	21,645	3.5	3.6%	6.8%	3.7%	• Access to clients (dept. stores, etc.)
	Printing & Publishing	Connecticut	7,693	1.4	<1%	3.1%	1.1%	• Price sensitive
Financial Services	Insurance Carriers	Connecticut	18,610	3.8	11.4%	9.9%	6.6%	• Access to data networks, satellite links
		New Jersey	18,485	3.8	4.7%	10.7%	2.6%	• Availability of open studio space
Total				74.5	• Access to talent			
					• Proximity to financial markets			

Under-Represented Sectors with Growing Regional Presence

Well Represented Sectors with Room for Expansion

Under-Represented Sectors with Growing Regional Presence

Well Represented Sectors with Room for Expansion

Attracting approximately 5-6% of the staff from these industries would result in the need for an additional 4.3 million square feet of space

Notes: (1) Number of office-based employees estimated at 30% of total employees

(2) Estimated space based on average market density by industry. Please refer to appendix for details

(3) Business services includes computer related services, computer programming services and pre-packaged software plus other business services

Sources: Bureau of Economic Analysis; Group of 35 Report - June 11, 2001; A.T. Kearney analysis

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Employment by State by Industry

FIPS	State	LineCode	Industry	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
9	Connecticut	70	Farm employment	9,925	9,838	9,833	10,083	10,365	10,197	10,040	9,943	9,897	9,807	9,887
9	Connecticut	100	Ag. services, forestry, fishing & other 3/	15,705	15,368	15,852	18,134	19,029	18,533	20,185	20,934	19,768	20,867	21,967
9	Connecticut	210	Metal mining	(D)	(D)	89	25	11	16	13	17	15	(D)	13
9	Connecticut	220	Coal mining	(D)	73	95	70	(L)	12	(D)	(D)	(D)	(D)	(D)
9	Connecticut	230	Oil and gas extraction	1,210	(D)	1,176	1,173	1,285	1,192	(D)	(D)	(D)	(D)	(D)
9	Connecticut	240	Nonmetallic minerals, except fuels	897	765	846	755	762	743	777	785	(D)	(D)	(D)
9	Connecticut	300	Construction	97,450	84,388	85,003	85,197	87,153	88,151	90,111	96,092	99,371	102,419	107,329
9	Connecticut	413	Lumber and wood products	3,250	(D)	2,744	(D)	2,856	3,065	3,145	3,303	3,327	3,520	3,572
9	Connecticut	417	Furniture and fixtures	3,201	(D)	2,876	(D)	2,712	2,644	2,618	2,890	2,983	3,328	3,404
9	Connecticut	420	Stone, clay, and glass products	4,703	3,965	3,771	3,485	3,467	3,127	3,221	3,295	3,084	2,988	3,065
9	Connecticut	423	Primary metal industries	11,010	10,275	9,400	9,062	9,234	9,335	9,183	9,064	9,380	9,452	9,321
9	Connecticut	426	Fabricated metal products	38,524	34,975	34,078	34,223	34,731	34,920	34,782	35,519	36,441	34,964	34,670
9	Connecticut	429	Industrial machinery and equipment	45,359	41,052	38,189	37,016	36,300	36,177	36,295	35,356	35,780	33,642	33,347
9	Connecticut	432	Electronic and other electric equipment	34,965	31,623	29,452	28,282	28,001	28,158	28,763	29,387	28,924	27,329	27,816
9	Connecticut	435	Motor vehicles and equipment	2,717	2,466	2,285	2,621	2,805	3,031	3,073	3,879	3,856	4,437	4,336
9	Connecticut	438	Other transportation equipment	78,069	75,112	68,340	60,290	54,266	50,213	47,715	48,256	46,536	43,922	41,125
9	Connecticut	441	Instruments and related products	27,027	27,530	27,346	26,468	24,070	23,324	22,898	22,351	21,800	20,443	19,522
9	Connecticut	444	Miscellaneous manufacturing industries	8,711	7,950	8,024	7,930	8,278	7,740	7,725	7,711	7,939	7,655	7,539
9	Connecticut	453	Food and kindred products	10,908	10,848	10,040	9,899	9,989	9,625	9,021	8,655	8,263	8,402	8,168
9	Connecticut	456	Tobacco products	412	409	405	402	398	427	415	398	368	347	
9	Connecticut	459	Textile mill products	2,715	2,638	2,436	2,442	2,524	2,315	2,100	2,055	2,088	2,296	2,189
9	Connecticut	462	Apparel and other textile products	5,487	5,198	5,245	5,303	5,320	5,219	4,896	5,007	4,775	3,878	3,394
9	Connecticut	465	Paper and allied products	8,867	8,602	8,493	8,364	8,339	8,157	7,918	7,958	7,891	8,023	7,814
9	Connecticut	468	Printing and publishing	28,926	27,352	27,201	27,763	28,229	27,807	27,505	27,682	28,150	27,035	25,643
9	Connecticut	471	Chemicals and allied products	21,630	22,489	21,533	20,753	19,982	20,059	20,135	20,700	21,306	22,191	22,977
9	Connecticut	474	Petroleum and coal products	324	264	317	336	720	1,043	1,131	1,124	961	854	652
9	Connecticut	477	Rubber and misc. plastics products	11,484	10,899	10,910	11,354	11,425	10,873	10,563	10,787	10,726	10,135	10,204
9	Connecticut	480	Leather and leather products	664	616	721	750	783	845	820	765	822	765	803
9	Connecticut	510	Railroad transportation	816	701	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
9	Connecticut	520	Trucking and warehousing	15,035	14,792	14,731	15,728	16,193	15,409	16,066	16,165	16,357	16,491	16,396
9	Connecticut	530	Water transportation	2,059	1,971	2,092	1,997	(D)	2,095	2,313	2,397	2,786	2,656	2,895
9	Connecticut	541	Local and interurban passenger transit	11,580	11,513	11,097	11,525	12,324	12,779	13,375	14,181	14,519	15,180	15,655
9	Connecticut	542	Transportation by air	9,900	9,019	8,084	8,451	8,484	8,760	9,495	9,623	9,468	9,792	10,256
9	Connecticut	543	Pipelines, except natural gas	0	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
9	Connecticut	544	Transportation services	7,358	7,177	7,080	7,691	7,917	7,817	7,437	7,520	7,533	7,316	7,006
9	Connecticut	560	Communications	18,770	17,705	17,137	17,597	17,799	18,065	18,777	19,858	19,845	20,338	21,544
9	Connecticut	570	Electric, gas, and sanitary services	14,191	13,867	13,753	14,265	13,962	13,662	13,438	12,881	12,782	13,228	13,283
9	Connecticut	610	Wholesale trade	93,019	89,034	87,895	82,748	83,654	85,439	87,265	88,439	90,043	88,937	89,648
9	Connecticut	620	Retail trade	318,412	300,500	301,372	300,875	305,836	309,781	314,733	317,605	318,041	320,196	325,259
9	Connecticut	710	Depository and nondepository institutions	45,814	41,460	38,974	38,570	36,977	34,763	32,725	31,939	34,979	36,056	36,345
9	Connecticut	731	Security and commodity brokers	8,098	7,906	8,436	9,329	10,173	10,896	11,641	12,888	15,439	17,311	18,798
9	Connecticut	732	Insurance carriers	71,554	72,478	70,590	67,221	64,256	63,245	61,064	60,344	60,920	62,366	62,033
9	Connecticut	733	Insurance agents, brokers, and services	17,035	17,714	17,523	18,622	19,433	18,808	18,492	18,580	18,872	19,837	19,999
9	Connecticut	734	Real estate	71,329	67,763	64,934	65,477	66,808	65,215	65,310	65,690	67,112	68,041	69,075
9	Connecticut	735	Holding and other investment offices	19,201	17,958	14,949	15,261	18,204	22,617	28,374	29,153	29,874	37,179	41,581
9	Connecticut	736	Hotels and other lodging places	13,625	11,740	11,294	11,570	11,676	11,890	11,994	12,352	13,097	13,110	13,190
9	Connecticut	810	Personal services	34,276	32,837	34,487	36,340	34,877	35,764	37,496	38,996	37,396	35,886	35,879
9	Connecticut	815	Private households	15,164	14,778	15,916	15,613	13,934	13,756	13,258	12,992	13,371	12,978	12,451
9	Connecticut	820	Business services	110,457	104,089	110,281	115,449	116,332	118,051	128,181	137,110	135,776	142,748	148,403
9	Connecticut	825	Auto repair, services, and parking	16,435	15,086	14,802	15,848	16,557	17,350	17,980	18,518	18,047	18,575	19,062
9	Connecticut	830	Miscellaneous repair services	8,562	7,391	7,191	7,752	7,449	7,655	7,441	7,875	7,886	7,849	8,001
9	Connecticut	835	Amusement and recreation services	24,625	24,066	20,382	21,270	35,948	37,424	40,462	44,792	53,011	55,659	58,248
9	Connecticut	840	Motion pictures	4,919	5,174	5,162	5,190	5,042	5,056	5,427	5,193	5,146	5,285	5,352
9	Connecticut	845	Health services	155,339	158,473	16,411	167,363	172,925	174,669	175,294	178,159	178,212	179,337	178,036
9	Connecticut	850	Legal services	22,511	22,067	22,480	22,976	23,217	22,709	22,752	22,844	23,870	24,306	24,346
9	Connecticut	855	Educational services	45,567	48,763	49,550	60,224	55,679	57,279	57,953	54,805	58,172	60,063	61,896
9	Connecticut	860	Social services	31,037	31,637	32,959	35,212	37,661	39,536	41,146	42,883	45,070	47,836	50,035
9	Connecticut	865	Other services (Museums, botanical, zoologi	1,455	1,404	1,387	1,446	1,499	1,510	1,596	1,641	1,843	2,009	2,058
9	Connecticut	870	Membership organizations	24,675	23,555	23,018	23,564	24,363	24,457	24,995	26,137	28,363	28,294	28,614
9	Connecticut	875	Engineering and management services 7/	63,485	56,756	56,516	59,511	59,371	58,143	61,091	63,470	65,770	69,003	69,422
9	Connecticut	880	Miscellaneous services	8,015	8,652	9,080	8,956	10,084	10,229	10,581	11,718	10,348	10,860	10,959
9	Connecticut	910	Federal, civilian	26,087	24,264	24,148	23,478	23,086	23,508	23,091	22,320	22,143	21,988	22,249
9	Connecticut	920	Military	26,503	25,293	22,112	20,897	19,774	19,083	19,068	18,796	17,046	16,343	16,617
9	Connecticut	930	State and local	187,904	187,529	180,653	181,421	185,472	185,515	185,500	185,839	189,107	194,661	199,565
				2,016,592	1,929,866	1,917,127	1,932,625	1,920,061	1,959,884	1,990,870	2,017,877	2,044,547	2,079,577	2,115,975

FIPS	State	LineCode	Industry	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
34	New Jersey	70	Farm employment	15,710	16,508	16,936	16,064	16,397	16,713	16,715	18,223	16,410	17,416	18,535
34	New Jersey	100	Ag. services, forestry, fishing & other 3/	28,923	28,340	29,162	31,369	32,116	33,959	35,586	36,824	35,914	38,713	40,355
34	New Jersey	210	Metal mining	(D)	(D)	(D)	23	20	17	18	(D)	(D)	(D)	(D)
34	New Jersey	220	Coal mining	(D)	(D)	(D)	13	(L)	11	11	(D)	(D)	11	13
34	New Jersey	230	Oil and gas extraction	2,170	2,082	1,834	1,711	1,892	1,751	1,369	1,509	1,207	(D)	(D)
34	New Jersey	240	Nonmetallic minerals, except fuels	2,392	1,947	1,930	1,931	1,954	2,014	1,930	1,984	2,093	2,033	1,740
34	New Jersey	413	Lumber and wood products	5,127	4,414	4,023	4,090	4,230	4,104	4,161	4,290	4,432	6,005	6,550
34	New Jersey	417	Furniture and fixtures	8,530	7,279	6,925	7,190	7,332	6,959	6,331	6,601	6,642	6,919	7,607
34	New Jersey	420	Stone, clay, and glass products	21,412	19,155	18,705	17,782	17,800	18,264	17,521	17,100	17,243	16,537	17,481
34	New Jersey	423	Primary metal industries	15,488	14,491	13,470	12,583	12,280	11,913	11,710	12,150	11,956	10,591	11,043
34	New Jersey	426	Fabricated metal products	39,492	36,171	34,164	33,274	32,543	33,160	32,468	32,252	31,824	30,995	31,827
34	New Jersey	429	Industrial machinery and equipment	48,257	44,686	40,956	37,232	37,287	36,453	35,931	34,752	34,687	34,799	34,932
34	New Jersey	432	Electronic and other electric equipment	49,913	43,769	38,848	36,934	36,249	35,549	34,367	34,304	30,648	28,629	29,603
34	New Jersey	435	Motor vehicles and equipment	5,564	5,778	4,471	5,629	6,738	7,126	6,979	6,902	6,698	6,551	6,694
34	New Jersey	438	Other transportation equipment	4,235	3,225	2,620	2,737	3,030	3,169	3,508	3,665	3,729	4,310	4,904
34	New Jersey	441	Instruments and related products	40,115	38,923	36,581	33,438	32,063	30,854	30,165	30,825	34,378	33,652	33,882
34	New Jersey	443	Miscellaneous manufacturing industries	18,390	17,867	16,906	16,639	16,378	15,846	15,287	15,524	16,361	15,882	15,965
34	New Jersey	454	Food and kindred products	45,270	43,392	42,353	41,950	40,893	40,046	38,734	38,063	37,075	35,882	36,215
34	New Jersey	456	Tobacco products	139	(D)	(D)	83	66	(D)	60	62	(D)	(D)	(D)
34	New Jersey	459	Textile mill products	11,948	11,534	11,616	12,070	12,152	10,974	9,928	9,996	10,154	9,044	8,899
34	New Jersey	462	Apparel and other textile products	34,227	31,822	30,618	29,258	30,523	29,020	26,638	26,434	24,762	22,499	21,580
34	New Jersey	465	Paper and allied products	25,241	24,066	23,163	22,080	22,369	22,369	21,429	21,620	21,582	21,893	21,494
34	New Jersey	468	Printing and publishing	67,067	63,276	60,357	60,586	60,948	62,316	62,243	64,224	64,891	62,224	62,507
34	New Jersey	471	Chemicals and allied products	116,879	116,476	111,950	108,096	105,402	101,958	98,981	97,124	95,510	95,443	96,126
34	New Jersey	474	Petroleum and coal products	8,426	8,615	8,387	8,048	7,855	7,531	6,784	6,379	6,306	6,001	5,749
34	New Jersey	477	Rubber and misc. plastics products	31,032	30,242	30,577	30,546	30,543	29,918	28,946	28,923	29,111	28,646	26,270
34	New Jersey	480	Leather and leather products	3,156	(D)	(D)	3,355	3,276	(D)	3,100	2,746	(D)	(D)	(D)
34	New Jersey	510	Railroad transportation	2,508	2,364	2,276	2,247	2,196	2,070	1,874	1,722	(D)	(D)	1,516
34	New Jersey	520	Trucking and warehousing	72,653	69,874	69,514	73,370	72,070	72,826	74,064	75,720	75,532	79,442	83,351
34	New Jersey	530	Water transportation	10,633	11,025	11,854	10,491	10,810	9,844	9,705	10,035	9,979	10,253	10,672
34	New Jersey	541	Local and interurban passenger transit	31,194	31,410	31,425	32,767	34,165	35,749	36,275	33,768	34,332	35,562	36,855
34	New Jersey	542	Transportation by air	26,714	26,527	27,583	31,236	34,073	35,459	39,562	40,049	43,685	46,408	49,014

34	New Jersey	543	Pipelines, except natural gas	140	148	148	159	149	150	136	126	(D)	(D)	129
34	New Jersey	544	Transportation services	17,818	18,784	18,593	19,711	20,632	22,228	22,325	23,559	23,496	23,310	24,097
34	New Jersey	560	Communications	64,594	62,949	62,410	63,536	68,201	68,279	68,191	73,606	71,581	72,408	72,151
34	New Jersey	570	Electric, gas, and sanitary services	29,717	29,685	29,112	28,886	28,551	27,475	26,381	24,691	24,170	24,070	24,020
34	New Jersey	610	Wholesale trade	292,599	278,061	279,328	276,271	278,076	280,409	284,534	288,812	298,177	298,459	305,908
34	New Jersey	620	Retail trade	658,387	637,034	638,486	638,612	645,062	668,132	674,878	688,860	688,629	699,133	725,359
34	New Jersey	710	Depository and nondepository institutions	85,807	78,407	75,120	74,568	73,608	71,406	69,371	69,306	71,140	76,467	75,676
34	New Jersey	731	Security and commodity brokers	24,388	24,881	28,362	30,139	33,018	35,539	38,155	40,961	45,145	50,723	58,757
34	New Jersey	732	Insurance carriers	66,810	64,739	63,141	60,800	60,492	59,071	59,822	60,692	63,204	62,431	61,617
34	New Jersey	733	Insurance agents, brokers, and services	37,562	38,106	38,074	40,593	41,144	41,864	41,210	42,159	42,920	42,504	41,809
34	New Jersey	734	Real estate	156,675	148,208	149,107	145,825	157,869	150,470	151,700	129,378	131,553	132,386	137,800
34	New Jersey	736	Holding and other investment offices	41,800	36,279	31,410	34,423	35,818	41,353	52,266	49,883	61,032	77,772	85,994
34	New Jersey	805	Hotels and other lodging places	63,662	79,605	78,371	77,415	78,107	78,850	80,183	80,253	82,218	79,761	81,623
34	New Jersey	810	Personal services	67,012	66,394	70,262	72,335	68,731	72,990	76,748	79,450	78,087	74,646	75,891
34	New Jersey	815	Private households	28,289	27,665	30,075	29,894	26,874	26,502	25,680	25,294	26,133	25,441	24,479
34	New Jersey	820	Business services	276,783	270,309	281,104	287,561	290,755	306,249	329,378	356,214	356,974	366,424	386,304
34	New Jersey	825	Auto repair, services, and parking	39,810	37,183	36,736	37,415	38,555	40,141	41,537	42,209	41,586	42,201	42,549
34	New Jersey	830	Miscellaneous repair services	17,867	16,392	16,017	16,841	15,731	16,274	16,290	16,268	16,251	16,450	17,185
34	New Jersey	835	Amusement and recreation services	49,380	50,064	54,091	54,236	55,385	58,946	60,673	61,596	74,095	75,996	81,238
34	New Jersey	840	Motion pictures	11,323	11,309	11,350	11,766	12,233	13,005	13,641	13,765	13,462	13,599	13,736
34	New Jersey	845	Health services	305,543	313,280	328,057	335,644	342,067	351,245	353,472	359,251	365,748	370,360	378,476
34	New Jersey	850	Legal services	50,808	51,751	51,029	52,304	51,604	53,297	53,963	54,587	55,433	55,312	56,130
34	New Jersey	855	Educational services	58,690	65,270	69,151	69,614	69,361	70,946	72,798	74,317	80,391	84,843	88,458
34	New Jersey	860	Social services &/	48,294	50,885	52,889	58,312	61,434	63,474	66,881	72,090	73,013	73,932	75,952
34	New Jersey	865	Museums, botanical, zoological gardens	714	748	1,008	1,164	1,206	1,324	1,405	1,406	1,480	1,738	1,598
34	New Jersey	870	Membership organizations	49,344	47,936	46,927	50,024	51,884	51,426	53,141	54,974	58,784	59,234	61,225
34	New Jersey	875	Engineering and management services 7/	168,938	159,422	156,192	160,172	155,778	161,353	167,251	173,008	184,206	195,894	207,149
34	New Jersey	880	Miscellaneous services	12,284	15,226	14,413	14,354	15,149	16,360	17,523	18,197	14,933	14,806	14,835
34	New Jersey	910	Federal, civilian	79,986	76,280	75,962	73,120	71,816	71,090	70,260	67,252	65,804	65,093	67,501
34	New Jersey	920	Military	42,545	39,579	37,566	33,581	33,157	31,328	31,088	30,375	30,600	28,856	
34	New Jersey	930	State and local	477,543	475,205	475,120	481,532	482,348	482,635	480,528	483,626	490,889	495,914	507,802
				4,141,438	4,026,770	4,028,813	4,057,691	4,091,709	4,151,633	4,210,600	4,265,557	4,337,324	4,405,320	4,552,252
FIPS	State	LineCode	Industry	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
36	New York	70	Farm employment	65,891	65,037	64,777	64,673	64,579	62,261	60,438	59,302	59,541	60,448	60,033
36	New York	100	Ag. services, forestry, fishing & other 3/	54,869	56,249	57,229	61,988	62,883	62,847	65,809	68,085	67,894	71,879	74,831
36	New York	210	Metal mining	366	369	(D)	(D)	(D)	444	419	371	343	(D)	(D)
36	New York	220	Coal mining	30	22	(D)	(D)	(D)	(L)	16	15	11	11	13
36	New York	230	Oil and gas extraction	6,850	6,221	5,980	5,738	5,575	5,472	4,366	4,661	4,215	4,249	(D)
36	New York	240	Nonmetallic minerals, except fuels	4,749	4,325	4,010	4,071	4,107	4,126	4,020	4,194	4,276	4,476	(D)
36	New York	300	Construction	427,053	381,717	363,843	359,272	362,798	367,742	373,144	388,993	408,252	438,026	458,704
36	New York	413	Lumber and wood products	19,401	18,993	17,344	18,064	18,148	18,218	18,087	18,774	18,594	18,976	18,863
36	New York	417	Furniture and fixtures	22,097	18,739	18,147	18,662	18,148	17,251	17,140	17,400	18,810	19,469	20,200
36	New York	420	Stone, clay, and glass products	31,589	28,643	28,969	27,923	28,410	26,556	26,362	26,495	26,733	26,566	28,088
36	New York	423	Primary metal industries	23,680	22,605	21,747	20,529	20,194	19,915	19,818	19,842	19,995	19,475	19,423
36	New York	426	Fabricated metal products	61,804	57,756	56,196	54,676	54,867	55,223	55,637	57,269	58,504	58,615	58,903
36	New York	429	Industrial machinery and equipment	123,679	119,579	113,136	102,929	97,976	99,509	100,026	100,758	100,991	95,708	96,585
36	New York	432	Electronic and other electric equipment	102,320	95,251	87,714	82,435	82,143	84,558	84,445	82,953	82,084	89,624	88,511
36	New York	435	Motor vehicles and equipment	33,278	31,845	31,113	30,089	31,724	33,250	32,082	31,505	30,340	20,825	20,359
36	New York	438	Other transportation equipment	27,591	25,591	21,961	24,491	24,491	24,491	24,491	24,491	24,491	24,491	24,491
36	New York	441	Instruments and related products	133,444	123,606	116,164	110,815	103,705	98,561	95,971	95,387	91,349	85,674	80,874
36	New York	444	Miscellaneous manufacturing industries	45,963	43,383	42,511	44,491	45,043	44,883	44,264	43,165	42,877	42,260	40,888
36	New York	453	Food and kindred products	70,514	69,629	66,697	65,031	64,015	62,169	61,270	59,614	60,188	59,335	59,797
36	New York	456	Tobacco products	1,346	1,470	1,412	1,293	1,299	1,326	1,324	1,267	1,180	1,169	(D)
36	New York	459	Textile mill products	22,335	20,640	19,540	20,155	20,021	19,359	18,003	18,119	17,309	14,659	12,481
36	New York	462	Apparel and other textile products	114,852	108,595	105,040	102,468	97,611	93,236	90,223	91,037	86,624	80,380	74,054
36	New York	465	Paper and allied products	40,369	37,231	37,024	36,489	35,499	34,767	33,168	32,869	32,067	31,946	30,579
36	New York	468	Printing and publishing	165,458	156,443	150,655	151,014	150,975	150,058	147,515	147,382	146,206	145,593	144,482
36	New York	471	Chemicals and allied products	61,162	61,251	61,016	60,440	57,745	56,807	55,874	56,079	56,331	57,496	58,148
36	New York	474	Petroleum and coal products	4,153	4,019	4,083	4,138	3,891	3,766	3,770	3,593	3,490	3,283	3,043
36	New York	477	Rubber and misc. plastics products	36,350	35,770	35,592	35,100	34,530	34,862	34,049	33,257	35,079	34,263	33,592
36	New York	480	Leather and leather products	12,511	10,703	10,053	9,644	9,373	8,417	7,740	6,848	6,012	5,066	4,610
36	New York	510	Railroad transportation	6,123	7,511	7,319	7,851	7,736	7,594	7,274	7,156	(D)	(D)	(D)
36	New York	520	Trucking and warehousing	85,663	82,448	80,497	82,471	83,692	83,827	85,805	85,238	87,780	91,801	93,535
36	New York	530	Water transportation	11,864	12,276	10,664	10,045	9,995	9,627	9,365	9,545	9,096	9,077	9,539
36	New York	541	Local and interurban passenger transit	89,599	73,628	74,411	77,169	79,732	86,075	84,294	94,051	100,393	106,021	111,223
36	New York	542	Transportation by air	82,891	78,002	71,051	72,097	72,360	73,753	77,828	76,321	78,277	79,189	81,302
36	New York	543	Pipelines, except natural gas	138	135	127	133	127	111	100	97	(D)	(D)	(D)
36	New York	544	Transportation services	42,543	42,075	41,401	43,337	42,991	43,572	40,904	41,668	41,548	42,009	43,242
36	New York	560	Communications	114,083	117,181	111,659	110,409	109,035	108,022	111,253	117,296	117,750	118,731	125,783
36	New York	570	Electric, gas, and sanitary services	63,352	62,532	62,830	62,219	61,219	58,001	55,953	53,367	51,596	50,310	49,770
36	New York	610	Wholesale trade	496,859	468,961	457,088	452,994	462,215	457,230	455,613	459,260	468,898	477,874	481,697
36	New York	620	Retail trade	1,370,629	1,344,003	1,324,457	1,333,451	1,350,333	1,377,121	1,398,742	1,418,536	1,414,096	1,445,820	1,483,041
36	New York	710	Depository and nondepository institutions	282,132	269,654	256,630	249,268	243,137	234,102	227,659	219,495	219,300	216,876	209,820
36	New York	731	Security and commodity brokers	160,945	152,898	155,041	163,971	175,519	175,579	176,440	189,360	200,581	209,236	224,281
36	New York	732	Insurance carriers	131,946	133,842	130,044	126,907	124,762	121,833	120,970	119,134	119,278	120,757	116,463
36	New York	733	Insurance agents, brokers, and services	83,406	86,290	85,328	88,355	90,499	90,986	89,515	89,109	90,299	90,716	89,596
36	New York	734	Real estate	326,857	315,264	308,564	308,136	326,797	317,427	320,055	294,198	298,031	303,374	309,421
36	New York	736	Holding and other investment offices	84,609	79,527	78,471	76,520	91,638	104,831	120,886	126,530	137,561	171,648	193,398
36	New York	805	Hotels and other lodging places	85,296	83,304	82,945	81,1							

Underrepresented Industries	Total Employees	Estimated Office Empl	Estimated Space
Electronic Equipment - Connecticut	27,816	8,345	1,798,138
Business Services - New Jersey	385,304	115,891	24,891,841
Chemicals - Connecticut	22,977	8,893	1,573,695
Chemicals - New Jersey	98,128	29,438	6,720,550
Wholesale Trade - Connecticut	89,548	26,894	6,139,592
Wholesale Trade - New Jersey	305,908	91,772	20,951,639
Communications - New Jersey	72,151	21,845	3,510,868
Printing & Publishing - Connecticut	25,643	7,693	1,404,724
Insurance Carriers - Connecticut	62,033	18,810	3,783,353
Insurance Carriers - New Jersey	61,617	18,485	3,758,021
Total	1,152,223	345,667	74,523,559
Office employees as % of Total	30.0%		4,322,390

Density by Industry			
Electronic Equipment	215.6		
Business Services	214.7		
Chemicals	228.3		
Wholesale Trade	223.3		
Communications	162.2		
Printing & Publishing	182.6		
Insurance Carriers	203.3		
Average space density	205.0		
Attraction rate to NY	5.8%	20,049	4,322,390

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Gross State Product (millions of current dollars)

FIPS	State	Industry Code	Secondary Code	Industry	1991	1992	1993	1994	1995	1996	1997	1998	1999	% GSP	5-yr	CAGR
9	Connecticut	10000	10010	Farms	249	289	292	293	245	278	271	292	305	0.2%	0.8%	2.5%
9	Connecticut	10000	20070	Agricultural services,...	411	443	528	509	526	567	604	673	734	0.5%	7.6%	7.5%
9	Connecticut	30000	30100	Metal mining	6	6	6	0	0	0	0	0	0	0.0%	0.0%	-100.0%
9	Connecticut	30000	30120	Coal mining	7	7	10	0	0	0	0	0	0	0.0%	0.0%	-100.0%
9	Connecticut	30000	30130	Oil & gas	7	6	8	0	0	0	0	0	0	0.0%	0.0%	-100.0%
9	Connecticut	30000	30140	Nonmetallic minerals	41	40	41	49	52	10	11	11	10	0.0%	10.8%	4.6%
9	Connecticut	40000	40000	Construction	3,483	3,434	3,530	3,614	3,833	3,833	4,196	4,565	4,954	3.3%	6.5%	4.5%
9	Connecticut	50000	51240	Lumber & wood	87	97	99	131	176	194	214	207	221	0.1%	11.0%	12.4%
9	Connecticut	50000	51250	Furniture and fixtures	110	109	116	104	125	118	125	148	169	0.1%	10.2%	5.5%
9	Connecticut	50000	51320	Stone, clay, glass	253	237	225	234	204	169	205	181	195	0.1%	-3.6%	-3.2%
9	Connecticut	50000	51330	Primary metals	423	388	450	455	449	578	597	618	640	0.4%	7.1%	5.3%
9	Connecticut	50000	51340	Fabricated metals	2,011	1,940	2,023	2,182	2,126	2,689	2,553	2,824	2,818	1.9%	5.2%	4.3%
9	Connecticut	50000	51350	Industrial machinery	2,382	2,171	2,154	2,271	2,413	2,313	2,533	2,474	2,408	1.6%	1.2%	0.1%
9	Connecticut	50000	51360	Electronic equipment	2,116	2,007	2,226	2,291	2,399	2,502	2,825	2,965	3,001	2.0%	5.5%	4.5%
9	Connecticut	50000	51371	Motor vehicles	140	155	201	323	336	364	501	525	564	0.4%	11.8%	19.0%
9	Connecticut	50000	51379	Other transport. equip.	4,087	4,115	2,736	2,393	2,627	2,643	3,765	3,876	4,261	2.8%	12.2%	19.0%
9	Connecticut	50000	51380	Instruments and related	1,484	1,769	1,575	1,580	1,740	1,926	1,947	2,262	2,080	1.4%	5.7%	4.3%
9	Connecticut	50000	51390	Misc. manufacturing	615	573	547	548	561	611	638	674	675	0.4%	4.3%	1.2%
9	Connecticut	50000	52200	Tobacco products	1,154	1,069	1,060	1,111	1,066	878	941	992	978	0.6%	-2.5%	-2.0%
9	Connecticut	50000	52220	Textile mill products	24	34	30	31	48	49	57	52	83	0.1%	21.8%	16.8%
9	Connecticut	50000	52230	Apparel & textile	178	171	91	86	82	77	95	100	107	0.1%	4.5%	0.0%
9	Connecticut	50000	52250	Paper products	968	708	167	210	234	213	235	234	193	0.1%	-1.7%	-1.0%
9	Connecticut	50000	52270	Printing & publishing	1,248	1,332	1,299	1,382	1,431	1,010	946	928	981	0.6%	6.0%	-0.1%
9	Connecticut	50000	52280	Chemicals	1,908	1,890	1,892	1,969	2,249	1,830	1,330	1,451	1,596	1.1%	0.2%	3.1%
9	Connecticut	50000	52290	Petroleum products	29	36	49	110	162	191	219	200	291	0.2%	21.5%	33.4%
9	Connecticut	50000	52300	Rubber & plastics	507	498	540	556	550	579	600	647	659	0.4%	3.4%	3.3%
9	Connecticut	50000	52310	Leather products	71	64	104	99	90	58	51	53	52	0.0%	-12.1%	-3.8%
9	Connecticut	60000	62400	Railroad transportation	-71	-44	-6	-15	-8	3	6	34	22	0.0%	-208.0%	#NUM!
9	Connecticut	60000	62410	Local & interurban	305	307	322	347	364	400	437	457	474	0.3%	6.4%	5.7%
9	Connecticut	60000	62420	Trucking and warehousing	691	684	718	774	773	776	827	901	917	0.5%	3.4%	3.6%
9	Connecticut	60000	62440	Water transportation	144	141	141	150	178	203	214	249	306	0.2%	15.3%	9.9%
9	Connecticut	60000	62450	Transportation by air	400	324	373	391	425	459	488	527	600	0.4%	8.9%	5.2%
9	Connecticut	60000	62460	Pipelines, ex. nat. gas	0	5	7	6	7	8	7	6	7	0.0%	3.1%	0.0%
9	Connecticut	60000	64000	Transportation services	376	377	388	423	525	452	527	539	482	0.3%	2.6%	3.2%
9	Connecticut	60000	66000	Electric, gas, & sanitary	2,198	2,211	2,491	2,638	2,815	2,978	2,937	3,239	3,336	2.2%	4.6%	5.4%
9	Connecticut	70000	70000	Wholesale trade	6,762	7,013	3,169	3,312	3,327	2,913	2,872	2,724	2,876	1.9%	-2.8%	0.5%
9	Connecticut	80000	80000	Retail trade	8,361	8,340	8,553	7,377	7,747	6,136	9,126	9,529	9,750	6.4%	5.7%	4.7%
9	Connecticut	90000	90600	Depository institutions	2,195	2,248	2,291	2,387	2,302	2,616	10,100	10,908	12,213	8.0%	6.7%	4.9%
9	Connecticut	90000	90610	Nondepository institution	780	872	973	842	1,048	1,162	1,506	1,265	2,730	1.8%	2.7%	2.8%
9	Connecticut	90000	90620	Security brokers	770	1,002	1,457	1,691	1,639	2,233	2,958	3,685	4,501	0.8%	7.5%	5.6%
9	Connecticut	90000	90630	Insurance carriers	4,739	4,596	5,927	5,878	7,394	7,445	8,866	9,165	10,077	6.6%	21.6%	24.7%
9	Connecticut	90000	90640	Insurance agents	696	781	804	806	791	810	859	891	998	0.7%	4.4%	4.6%
9	Connecticut	90000	90650	Real estate	15,978	16,942	17,405	18,004	18,836	19,679	20,600	21,694	23,150	13.3%	5.2%	4.7%
9	Connecticut	90000	90670	Holding and investment	100	166	286	188	211	128	208	1,070	959	0.6%	38.4%	32.7%
9	Connecticut	100000	100700	Hotels & lodging	333	334	350	375	443	471	509	570	588	0.4%	9.4%	7.4%
9	Connecticut	100000	100720	Personal services	654	705	762	768	809	796	866	909	944	0.6%	4.2%	4.5%
9	Connecticut	100000	100730	Business services	3,883	4,182	4,608	5,469	5,807	5,973	6,977	7,505	8,394	5.5%	8.9%	10.2%
9	Connecticut	100000	100760	Auto repair & parking	707	692	747	827	903	946	1,022	1,088	1,212	0.8%	7.9%	7.0%
9	Connecticut	100000	100780	Misc. repair services	297	299	314	293	306	309	330	360	364	0.2%	4.4%	2.6%
9	Connecticut	100000	100790	Motion pictures	152	159	210	142	165	173	169	170	188	0.1%	3.4%	1.3%
9	Connecticut	100000	100790	Amusement and recreation	571	722	804	1,028	1,101	1,248	1,506	1,632	1,817	1.2%	12.1%	15.6%
9	Connecticut	100000	100800	Health services	6,637	7,145	7,482	7,877	8,348	8,648	8,807	8,885	9,221	6.1%	3.2%	4.2%
9	Connecticut	100000	100810	Legal services	1,245	1,342	1,413	1,422	1,520	1,401	1,507	1,707	1,837	1.2%	5.3%	5.0%
9	Connecticut	100000	100820	Educational services	1,246	1,303	1,395	1,442	1,511	1,555	1,670	1,768	1,845	1.2%	5.1%	5.0%
9	Connecticut	100000	100830	Social services	676	716	779	855	913	962	1,013	1,092	1,176	0.8%	6.6%	7.2%
9	Connecticut	100000	100840	Other services	2,478	2,795	2,981	2,958	3,382	3,743	4,275	4,556	4,875	3.2%	10.5%	8.8%
9	Connecticut	100000	100860	Membership organizations	460	468	502	582	615	664	727	811	783	0.5%	6.2%	6.8%
9	Connecticut	100000	100880	Private households	141	154	162	165	175	175	173	200	163	0.1%	-0.2%	1.8%
9	Connecticut	110000	111000	Federal civilian	1,369	1,520	1,499	1,514	1,671	1,695	1,715	1,764	1,911	1.3%	4.8%	4.3%
9	Connecticut	110000	112000	Federal military	737	672	641	646	646	704	722	656	644	0.4%	-0.1%	-1.7%
9	Connecticut	110000	113000	State and local	7,530	7,755	8,106	8,540	8,858	8,940	9,280	9,731	10,075	6.6%	3.4%	3.7%
Total Gross State Product					100,396	103,750	107,928	112,392	118,643	124,159	134,965	143,913	151,780			
34	New Jersey	10000	10010	Farms	398	408	431	482	437	489	457	460	446	0.1%	-1.5%	1.4%
34	New Jersey	10000	20070	Agricultural services,...	734	761	880	901	937	1,000	1,073	1,165	1,303	0.4%	7.7%	7.4%
34	New Jersey	30000	30100	Metal mining	1	1	1	1	0	0	0	1	2	0.0%	14.9%	9.1%
34	New Jersey	30000	30120	Coal mining	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%
34	New Jersey	30000	30130	Oil & gas	2	1	1	1	2	3	7	12	11	0.0%	61.6%	23.8%
34	New Jersey	30000	30140	Nonmetallic minerals	104	122	133	180	185	175	208	234	245	0.1%	6.4%	11.3%
34	New Jersey	40000	40000	Construction	8,420	8,271	8,758	9,316	9,516	9,935	10,665	11,702	12,627	3.8%	6.3%	5.2%
34	New Jersey	50000	51240	Lumber & wood	188	169	177	212	200	181	197	212	326	0.1%	9.0%	8.6%
34	New Jersey	50000	51250	Furniture and fixtures	258	268	281	300	316	324	284	291	318	0.1%	1.2%	2.6%
34	New Jersey	50000	51320	Stone, clay, glass	848	873	829	924	915	848	1,034	1,083	1,136	0.3%	4.2%	3.7%
34	New Jersey	50000	51330	Primary metals	902	768	902	1,098	972	778	863	844	791	0.2%	-4.0%	0.4%
34	New Jersey	50000	51340	Fabricated metals	2,009	1,846	1,905	1,886	1,913	2,012	1,967	1,994	1,975	0.6%	0.9%	-0.2%
34	New Jersey	50000	51350	Industrial machinery	2,061	2,115	1,903	1,952	1,985	1,932	1,958	2,006	2,080	0.6%	1.3%	0.1%
34	New Jersey	50000	51360	Electronic equipment	2,930	2,588	2,709	2,691	2,836	2,157	2,215	1,934	1,965	0.8%	-5.9%	-4.8%
34	New Jersey	50000	51371	Motor vehicles	307	311	369	631	768	225	245	254	275	0.1%	-15.3%	-1.4%
34	New Jersey	50000	51379	Other transport. equip.	124	113	116	111	140	158	166	157	185	0.1%	10.8%	5.1%
34	New Jersey	50000	51380	Instruments and related	1,931	2,023	1,803	1,646	1,666	1,787	1,412	1,617	1,694	0.5%	0.6%	-0.5%
34	New Jersey	50000	51390	Misc. manufacturing	995	895	876	929	982	870	910	922	957	0.3%	0.6%	-0.5%
34	New Jersey	50000	52200	Food & kindred products	3,474	3,323	3,379	3,304	3,407	3,137	3,117	3,031	2,972	0.9%	-2.1%	-1.9%

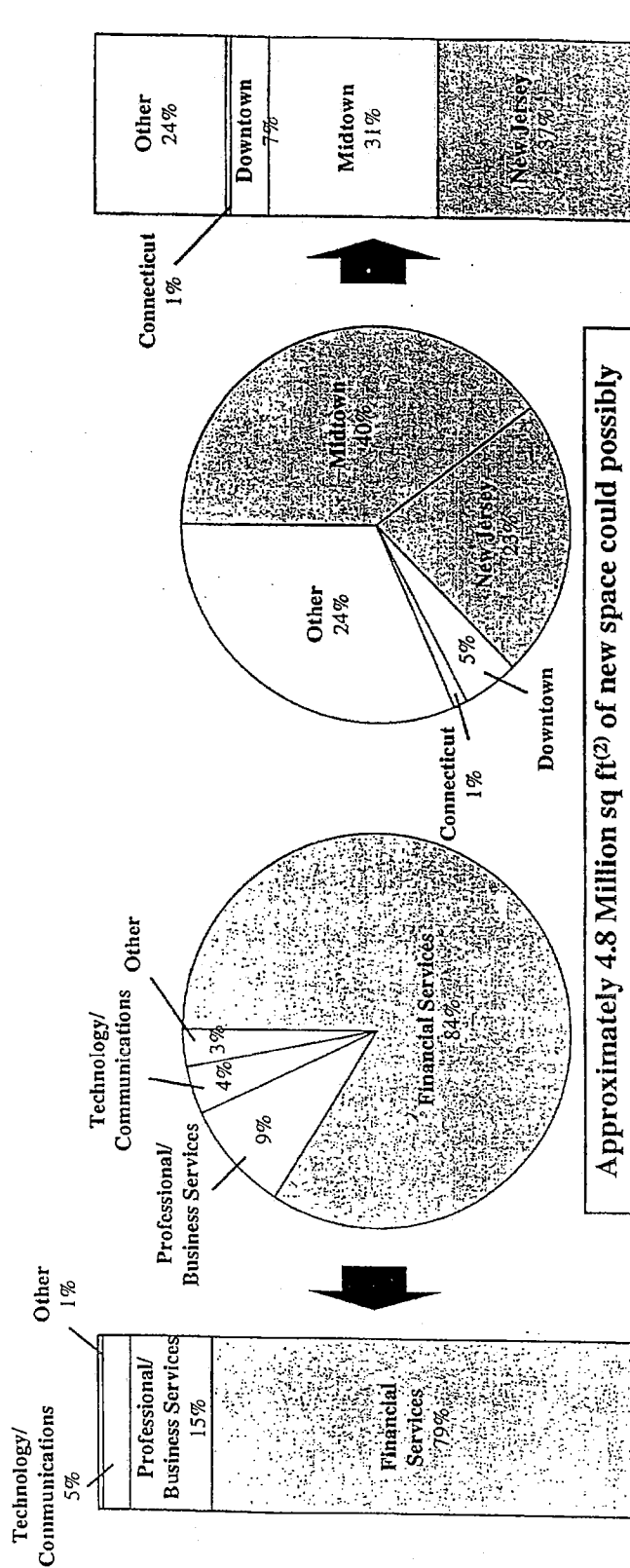
34	New Jersey	90000	90620	Security brokers	1,813	2,360	2,885	3,257	3,452	4,895	5,549	8,223	6,922	2.1%	16.3%	20.0%
34	New Jersey	90000	90630	Insurance carriers	3,970	3,873	4,686	4,933	5,839	6,546	7,472	7,949	8,594	2.6%	11.7%	10.1%
34	New Jersey	90000	90640	Insurance agents	1,475	1,557	1,714	1,810	1,687	1,585	2,061	2,195	2,323	0.7%	5.1%	5.8%
34	New Jersey	90000	90650	Real estate	34,735	36,723	37,574	39,535	41,657	43,894	45,640	47,804	50,470	15.2%	5.0%	4.8%
34	New Jersey	90000	90670	Holding and investment	270	302	516	275	281	134	189	1,050	878	0.3%	26.1%	15.9%
34	New Jersey	100000	100700	Hotels & lodging	3,445	3,669	3,839	4,038	4,329	4,600	4,617	4,922	5,055	1.5%	4.6%	4.9%
34	New Jersey	100000	100720	Personal services	1,226	1,296	1,387	1,379	1,444	1,490	1,582	1,739	1,797	0.5%	5.4%	4.9%
34	New Jersey	100000	100730	Business services	10,528	11,436	11,473	12,848	14,094	15,234	16,047	20,337	21,656	6.5%	11.0%	9.4%
34	New Jersey	100000	100750	Auto repair & parking	1,572	1,683	1,730	1,883	2,031	2,105	2,245	2,458	2,597	0.8%	6.6%	5.7%
34	New Jersey	100000	100760	Misc. repair services	605	605	638	613	637	682	662	713	773	0.2%	4.7%	3.1%
34	New Jersey	100000	100780	Motion pictures	239	258	320	332	373	420	388	426	403	0.1%	4.0%	6.7%
34	New Jersey	100000	100790	Amusement and recreation	1,397	1,504	1,538	1,626	1,747	1,808	1,926	2,132	2,285	0.7%	7.0%	6.3%
34	New Jersey	100000	100800	Health services	12,969	14,274	14,532	15,619	16,504	17,166	17,416	18,308	19,195	5.8%	4.2%	5.1%
34	New Jersey	100000	100810	Legal services	2,741	2,983	3,136	3,155	3,519	3,327	3,805	3,987	4,163	1.3%	5.7%	5.4%
34	New Jersey	100000	100820	Educational services	1,280	1,380	1,475	1,579	1,644	1,690	1,773	1,940	2,098	0.6%	5.8%	6.4%
34	New Jersey	100000	100830	Social services	975	1,062	1,160	1,231	1,354	1,391	1,479	1,658	1,713	0.5%	6.8%	7.3%
34	New Jersey	100000	100840	Other services	8,130	8,510	8,768	8,731	9,726	10,378	11,716	12,946	14,298	4.3%	10.4%	7.3%
34	New Jersey	100000	100860	Membership organizations	1,047	1,069	1,166	1,238	1,246	1,306	1,352	1,425	1,509	0.5%	4.0%	4.7%
34	New Jersey	100000	100880	Private households	241	266	281	288	308	310	309	358	293	0.1%	0.3%	2.5%
34	New Jersey	110000	111000	Federal civilian	4,105	4,366	4,499	4,489	4,613	4,662	4,635	4,735	5,128	1.5%	2.7%	2.6%
34	New Jersey	110000	112000	Federal military	1,019	1,018	932	949	983	982	1,001	1,021	1,076	0.3%	2.5%	0.7%
34	New Jersey	110000	113000	State and local	19,287	20,536	21,447	22,305	23,275	25,311	26,254	26,207	27,365	8.3%	4.2%	4.5%
Total Gross State Product					224,304	235,454	246,725	258,075	271,433	285,736	299,946	316,463	331,545			

EDSSR 000713

In addition, relocation of a significant portion of financial services companies that have moved out of New York City since September 11 will likely lead to increased demand for office space

Total Space Migrating From Affected Areas and Anticipated Relocations Back to Downtown

Source of Those Willing to Relocate Back ⁽¹⁾	Industries Migrating From Affected Area	Anticipated Locations of Those Firms Migrating From Affected Area	Source of Those Willing to Relocate Back ⁽¹⁾
100% = 7.7 MSF	100% = 19.4 MSF	100% = 19.4 MSF	100% = 7.7 MSF



Approximately 4.8 Million sq ft⁽²⁾ of new space could possibly be needed for those willing to relocate back to NYC

Notes: (1) Square footage of those willing to relocate back assumed to be the same as previously occupied in before migration
(2) New space is calculated based on those willing to relocate back to NYC (i.e., 62% of 7.7 million sq ft) which is estimated through: Company Press releases, company polling and specific situation evaluation

Sources: TenantWise ; A.T. Kearney analysis

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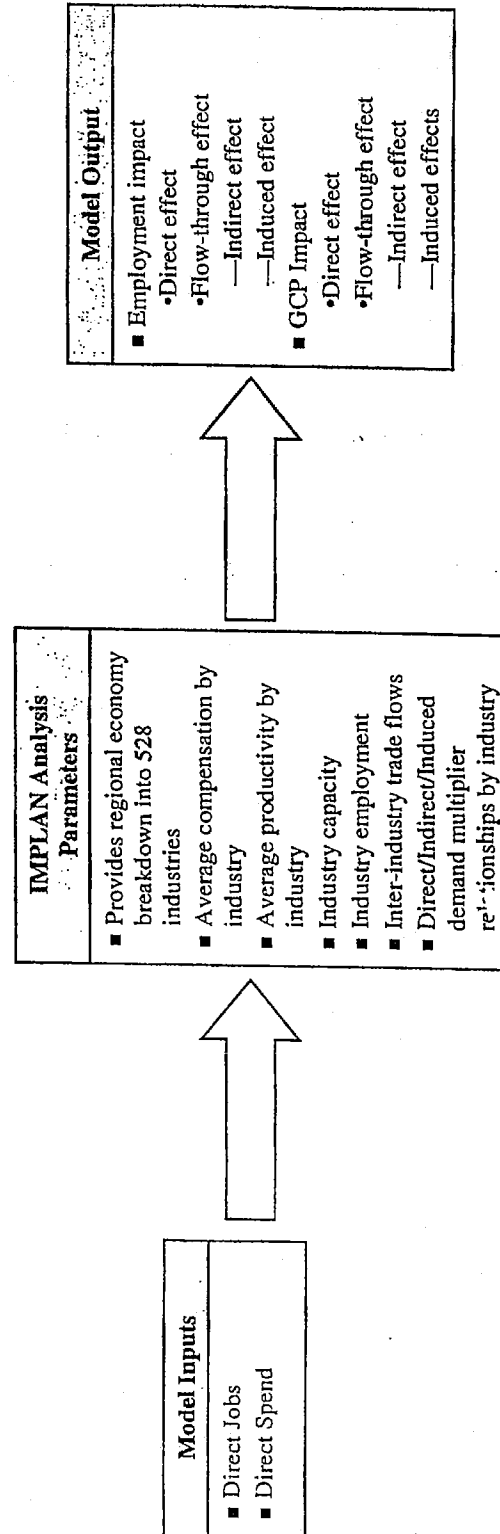
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By Industry - Destination		
Financial Services	16,388,510	84%
Professional/Business Services	1,819,646	9%
Technology/Communications	731,554	4%
Other	488,132	3%
Total	19,427,842	
By Industry - Relocate Back		
Financial Services	6,037,962	79%
Professional/Business Services	1,177,210	15%
Technology/Communications	401,469	5%
Other	39,291	1%
Total	7,655,932	
By Location - Destination		
Midtown	7,724,607	40%
Downtown	952,562	5%
New Jersey	4,422,050	23%
Connecticut	197,045	1%
Other	6,131,578	32%
Total	19,427,842	
By Location - Relocate Back		
Midtown	2,342,576	31%
Downtown	567,745	7%
New Jersey	2,859,693	37%
Connecticut	72,545	1%
Other	1,813,373	24%
Total	7,655,932	

EDSSR 000715

Implan Software

- IMPLAN estimates regional impact of economic events such as new construction products, new firms operating region, etc.
- Economic impacts are assessed at both the employment and Gross City Product (GCP) levels.
 - Employment represents new jobs created as a result of the economic event (e.g., WTC rebuilding).
 - GCP represents the economic value added (including wages, interest, profits, and indirect taxes) from activities related to the economic event (e.g. WTC rebuilding).
- IMPLAN provides output based on three levels:
 - Direct impact: employment/GCP impacts caused by industries directly related to the economic event
 - Indirect impact: employment/GCP impacts caused by suppliers and related industries experiencing increased demand as a result of the economic event
 - Induced impact: employment/GCP impacts resulting from an increase in disposable income due to economic event

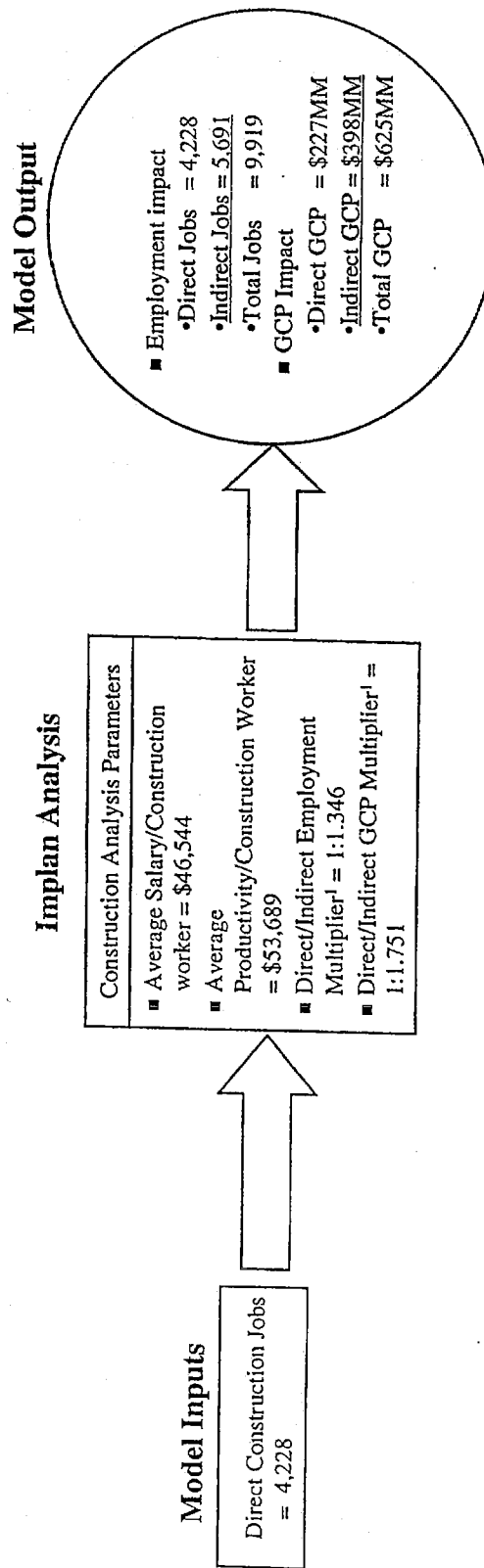


IMPLAN WTC Construction Analysis Example

Assuming the WTC construction project will employ 4,228 workers in 2006, 5,691 indirect jobs will be created in New York City and the incremental GCP impact to the region will total \$625 million

Example

IMPLAN Output Example:
WTC Construction Project - 2006



Note:
Source: (1) Weighted average of 25 multipliers
IMPLAN model; Bovis Lend Lease; AT Kearney analysis

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